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China Report

AGRICULTURE

No. 262



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NATIONAL

ACCURACY IN AGRICULTURAL STATISTICS URGED

Beijing JINGJI RIBAO in Chinese 31 Mar 83 p 1

[Article in the "ECONOMIC FORUM" by Chi Biqing [3069 1801 0615]: "Make Accurate Agricultural Statistics"]

[Text] After the system of responsibility linking output with contracts was implemented on a broad scale in rural villages, the difficulty and amount of work in coming up with comprehensive agricultural statistics increased. It is our responsibility to adopt effective measures in a timely fashion to make statistical work adapt to new conditions as quickly as possible. When statistical figures are not timely or are inaccurate, leadership organizations have no way to set government policies accurately, make plans, or function as leaders. This has been our personal experience over the last few years.

There are objective reasons why agricultural statistics figures have been neither timely nor accurate, but the major reasons are subjective. Important responsible comrades in a number of county committees and governments and even greater numbers of responsible comrades in prefectures and communes are not very good at economic work and do not understand the importance of numbers; thus they do not take statistical work seriously, take an interest in it, or resolve real questions. A few years ago, owing to the mistaken influence of the "left", there appeared a tendency for indices and production estimates to be excessively high. Since the Third Plenary Session of the 11th Party Central Committee, we have completely corrected this kind of tendency, which was, of course, completely correct and necessary to do. But having corrected this "left" error, there is now another tendency among some comrades: namely, in reporting figures, the tendency to report "better low than high" or "leaving some leeway" which is understood to mean the lower the better. It should be recognized that at the present this is a significant ideological tendency among responsible party committee comrades at three levels--county, prefecture, and commune. If this tendency is not overcome, we will still have no way to seek truth from facts.

Whether or not comprehensive statistical figures are accurate resides at the basic level. From the perspective of the situation in Guizhou Province, all levels of government above the county level have established or reinstated accounting departments and statistical work for brigades and production

brigades and in rural villages have clearly made the accounting personnel responsible for the accounting work. The problem now is in the communes. We suggest that statistical work of communes be given over to "agricultural economists" to handle along with their other work. They are then statistical personnel in a statistics department and agricultural economists in the agricultural department--one person with two tasks.

Strengthening basic level statistical work still requires the attention of party committees. When annual report meetings are convened once a year, both local and county party first secretaries should attend and give a talk; not read a prepared report of the concerned department but express opinions, focusing on the real local situation, precisely, not vaguely, concretely, not generally. As far as those locations for which statistical figures are inaccurate or where discrepancies are excessive, the responsibility of leaders should be investigated. In this way, the agricultural statistical work, and even the entire statistical work, can go one step forward.

(The author is First Secretary of Guizhou Province Communist Party.)

12303

CSO: 4007/123

COMMENTATOR ON FLOOD CONTROL MEASURES

Beijing JINGJI RIBAO in Chinese 31 Mar 83 p 1

[Comment by staff commentator: "Flood Control Must Adhere to the Policy of 'Prevention Is More Important Than Cure'"]

[Text] At this time, the south has already entered the flood season; and in the north, in turn, it will be arriving shortly. A high level of attention must be paid to conscientiously and thoroughly carry out the policy of "Prevention Is More Important Than Cure," in order to do well in this year's flood-control preparations, and to ensure a safe passage through the flood season. To carry out this policy is important because it affects the Four Modernizations and people's safety and lives.

In order to thoroughly carry out the policy of "Prevention Is More Important Than Cure," first and foremost one must raise the ideological awareness and overcome the idea of leaving things to chance [characterized by the slogan] "if we cry out 'flood prevention' every year, there will be no floods" and the lulling thoughts that "There will be no floods to prevent." Flood prevention is like an army waging war, whether the enemy comes or not, it must always be prepared. It is a law of nature that rain comes down from the sky and rivers overflow: this cannot be changed by human will. One should maintain an attitude that "It is better to believe it will happen than to believe it won't" and base oneself on preventing a large flood. Where there is preparation there is no need to worry.

The establishment and strengthening of a forceful flood-control organization and vigorous implementation of various flood-control measures is an important guarantee that the battle against floods will be won. In carrying out organizational reform in various locales, we must pay attention to strengthening organizational leadership in flood-control work and to establishing a system of personal responsibility. Dangerous sections of important dikes and reservoirs require clear-cut responsibility, a division of labor and responsibility, and a firm grasp of preflood inspections, inspections of construction safety and quality, and of flood passage capacities. As for obstructions which impede flood passage, we should resolutely adhere to the principle that "whoever made obstructions should remove them" within a time limit. We should pay special attention to urban sewage channels and dike management, and to the

complete elimination of obstructions to flood passages so as to ensure the safe passage of a flood in urban areas. At the same time, we should do well in preparations for floodwater storage, detention, and flood prevention in flood passage basins. We should also do well in various preparations for the transmission of flood warnings, water conditions, and the estimates and forecasts of flood situations.

Flood-prevention work involves various aspects; we must consider the entire situation, unite and cooperate in our efforts, and obey central commands and management. We must pay equal attention to both upstream and downstream, both the left and right banks of a river, ensuring that the parts are subordinated to the whole and promoting our style.

Since the founding of the nation, we have been victorious over numerous flood and waterlogging catastrophes and have accumulated abundant experience. We firmly believe that, with the kind concern of the party Central Committee and the State Council, the attention of all levels of leadership in the party and the government, and the enthusiastic efforts of the broad mass of cadres, masses, and members of the People's Liberation Army, we will most definitely do even better in this year's flood-prevention work.

12303

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ANTI-FLOOD PREPARATION EMPHASIZED

Beijing JINGJI RIBAO in Chinese 31 Mar 83 p 1

[Article: "The Responsible Person of the Central Flood-Control Office Points Out the Early Arrival of This Year's Flood Season and Urges Preparations"]

[Text] A responsible person for the Central Flood-Control Office has indicated that owing to the unbroken spell of wet weather in the south since the beginning of spring, some rivers and streams have been continuously flooded, exceeding warning water levels in numerous instances. By all indications, this year's flood season should be about one month ahead of last year's. We must raise our vigilance and do well in flood-preparations.

The responsible person stated that since 1980 the nation has entered a period of abundant rainfall, and that in the middle reaches of the Yangzi River, the upper reaches of the Huai River, and the middle and lower reaches of the Bei Jiang, Gan Jiang, Min Jiang, and Huang He, rather large-scale flooding has occurred. From the beginning of last winter, the south has been in a period of low temperatures and high rainfall. For the city of Guangzhou, the total rainfall in February was five times that of the same period in a normal year. Floods exceeding warning water levels have occurred in the Xi Jiang, Bei Jiang, Gan Jiang, and Xiang Jiang Rivers. In addition, these occurrences are cyclical in nature. Some rivers, in the past, had often been subject to disasters such as flooding and waterlogging but have not had any major floods for a long period. This is historically unprecedented and a cause for vigilance. Advance precautions against the possibility of the appearance of widespread flooding should be taken this year.

The responsible person of the Central Flood-Control Office pointed out that the nation's large rivers and even some of the medium and smaller rivers have not been brought completely under permanent control. A number of the flood-control projects completed since the founding of the nation are only adequate in combatting ordinary floods but not abnormally large ones. Thus, we should be mindful of adversity when conditions are safe, firmly uphold the policy that "Prevention Is More Important Than Cure", and gain a foothold on controlling large floods. We should now firmly grasp the flood-control preparations and prepare for perils which have not yet come. Only thus can we reduce losses which may occur as a result of a surprise attack by flood catastrophes.

RECORD STATE FARM EARNINGS REPORTED

Beijing ZHONGGUO NONGKEN [STATE FARMS AND LAND RECLAMATION IN CHINA] in Chinese No 1, 24 Jan 83 p 14

[Article by Statistics Department, State Farm and Land Reclamation Bureau, Ministry of Agriculture, Animal Husbandry and Fishery: "Record State Farm and Land Reclamation Industrial and Agricultural Gross Output Value and Profits During 1982"]

[Text] The State Farm and Land Reclamation Bureau of the Ministry of Agriculture, Animal Husbandry and Fishery convened a national state farm and land reclamation planning conference in Fuzhou from 12 to 20 December 1982.

The conference acknowledged that despite fairly severe natural disasters on nearly 20 million mu of cultivated land in nine provinces of north and south China, the overall situation for state farm and land reclamation production was good in 1982. Outputs of grain, cotton, sugar, meat, milk, tea, and dry rubber showed all-around increase, and gross output value and profits of industry and agriculture reached an all-time high. Jiangsu, Tianjin, and Beijing had all-around increases; every farm made profits in every category of production. A collation done for the conference showed an anticipated gross output value for industry and agriculture in the national state farm and land reclamation system for 1982 of 8.2 percent more than for 1981. This included a 7.2 percent increase in the output value of agriculture, and an 8.5 percent increase in the output value of industry. Gross output of grain and beans and sales to the state of commodity grain increased by 8.2 and 29.8 percent respectively. Cotton output increased 23 percent, sugar crops 17.7 percent, cow's milk 4.8 percent, and fruits showed slight decline. Investment in fixed assets declined 29 percent, and profits will surpass the 1980 all-time high level.

The conference acknowledged that as a result of several years of readjustment and the efforts of the broad masses of state farm and land reclamation employees, remarkable changes have occurred in the production and administration of state farm and land

reclamation enterprises. Nevertheless, numerous problems still exist along the road of advance. Very great arduous toil is still required to tap potential, renovate, develop economic diversification, and increase economic effectiveness.

The year 1983 will require further conscientious study and implementation of the spirit of the 12th Party Congress, plus continued work in readjusting the economy, in carrying out all-around reorganization of enterprises, in striving to increase economic effectiveness, and in promoting fairly great development of all phases of production. The conference's preliminary calculations show an 8.1 percent planned increase over 1982 in 1983's gross output value of industry and agriculture for the national state farm and land reclamation system. This will include an 8.6 percent increase in the output value of agriculture, and a 7.5 percent increase in the output value of industry. In order to assure grain production, the area sown to grain will be increased by 1 million mu. Gross output of grain and beans and commodity grain sold to the state will increase by 8.2 and 21.2 percent respectively in an effort to surpass the all-time high of 1980. Gross output of dry rubber will increase by 5.6 percent and profits will be 15.8 percent greater than in 1982.

The conference acknowledged that the task of tripling output of the state farm and land reclamation system is a glorious and arduous one. So long as we make full use of favorable conditions and do a solid job, it is fully realizable, and may possibly be overfulfilled. The conference called for a good job during the last 3 years of the "Sixth Five Year Plan," and on the "First 10 Years" and "Last 10 Years" plans. Focus during the "first 10 years" will be on improvement in production conditions, on doing a good job of developing intellect, on preparing skilled personnel, on building a stable base for agriculture and animal husbandry and agricultural and animal husbandry processing industries, and on preparations for large scale clearing of wastelands. During the "last 10 years," the state farm and land reclamation economy will flourish vigorously in every way. Naturally, circumstances vary from region to region and from enterprise to enterprise, and agriculture also has its own characteristics. During the first 10 years, some places may develop somewhat faster. All jurisdictions should proceed from realities and adapt general methods to local situations in making plans.

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CS0:4007/117

STATE FARM AND LAND RECLAMATION ENTERPRISES TO BE REORGANIZED

Beijing ZHONGGUO NONGKEN [STATE FARMS AND LAND RECLAMATION IN CHINA] No 1, 24 Jan 83, pp 1-2

[Article: "Make New Contributions in Bringing About a New Situation in State Farm and Land Reclamation Work"]

[Text] 1983 is the first year for all-around initiation of a new situation in the building of socialist modernization as proposed by the 12th Party Congress. It is also the first year for implementation of the new constitution in the struggle for long-term public order. The new year will see new advances. Central Committee leading comrades have said that no matter on which front they serve, in which area, in which unit, or at which level, cadres should assign themselves the following task: A new atmosphere, new achievements and new contributions in the new year, and adding of new luster to our great undertakings.

The 5 million employees on the state farm and land reclamation front hope that during this new year they will make new contributions in the initiation of a new situation in state farm and land reclamation work.

The trend of development in state farm and land reclamation is very good. Since the third plenary session of the 11th Party Central Committee, the state farm and land reclamation system has concluded 10 years of internal turmoil and has undertaken a large amount of strenuous work in bringing order out of chaos. It has carried out a series of correct programs and policies from the Central Committee and the State Council pertaining to state farm and land reclamation, including contracting of sole financial responsibility, no payment to the state of profits from state-owned farms, various forms of responsibility systems, and trial operation of integrated agricultural, industrial, and commercial enterprises, etc. Impelled by an upward rise in the development of agriculture nationally, state farm and land reclamation endeavors have pursued a healthy course of development. In the 4 year period 1979 - 1982, profits amounted to almost 2 billion yuan (in 1978, losses were 90 million yuan). Despite fairly

severe natural disasters in some reclamation areas during 1982, except for individual categories, estimated production increased over 1981, and the gross output value of industry and agriculture, profits, and the labor productivity rate all set new records.

Work in 1983 will have a direct bearing on the next several years and on the initiation of a new situation in state farm and land reclamation work. We must continue to maintain and develop the increasingly good trend of the past several years in development of state farms and land reclamation. While continuing to hold fast to the study of documents of the 12th Party Congress, we should continue to do a good job of economic readjustment, launch an all-around reorganization of enterprises, further perfect economic responsibility systems, persevere in an expansion of reproduction predominantly through intention, vigorously develop economic diversification so that all categories of production show substantial development and economic effectiveness increases remarkably.

A good job of reorganizing enterprises is not only an important measure for tapping further the potential of enterprises and improving their economic effectiveness, but is also an important link for carrying out the strategic objectives, the strategic focus, and the strategic steps set by the 12th Party Congress. It is a necessary step in laying the foundation for realization of the three basic turns for the better and for the proliferation of the economy during the next 10 years. How can a new situation be initiated in state farm and land reclamation work? A good job of reorganizing enterprises is a key measure. If our state farm and land reclamation enterprises continue overstaffed, our leadership teams impotent; if we continue to eat out of a large common pot, if our various management rules and responsibility systems are not strong, and if our technical equipment is backward, products unable to find markets, economic effectiveness poor or even losses taking place requiring government subsidies, what kind of new situation is that! These are precisely the major problems that reorganization of enterprises seeks to solve. Thus, we must show extreme resolve in going a good job of enterprise reorganization.

Acting according to directives from the CPC Central Committee and the State Council in 1982, all jurisdictions in the country launched pilot projects in enterprise reorganization among state farm and land reclamation system enterprises. In every enterprise that underwent reorganization, definite accomplishments were made. Nevertheless, problems were not completely solved, and there still remain quite a few comrades very much lacking in understanding. They feel that enterprises having fairly good

administration and management require no reorganization, and that enterprises having a fair number of problems are too difficult to reorganize. Even now, some comrades still feel reorganization to be a burden. During 1983, further solution of the problem of understanding will be required. State farm and land reclamation departments and state farm and land reclamation enterprises everywhere will have to study conscientiously the documents of the 12th Party Congress, study Premier Zhao Ziyang's report to the Fifth National People's Congress, further increase their understanding of the reorganization of enterprises, and take unshakeably firm grip on the task of reorganizing enterprises.

In his report to the Fifth Session of the Fifth National People's Congress, Premier Zhao Ziyang noted that "the pace of enterprise reorganization must be quickened, quality improved, and existing enterprises reorganized within the next 3 years." Reorganization of existing enterprises includes state farm and land reclamation enterprises. 1983 is a key year in the reorganization of enterprises. The work of reorganizing enterprises must get underway across-the-board; main points should be stressed, tailored guidance given, and checks leading to acceptance conducted group by group. This means, first of all, reorganization of enterprise leadership teams. Once leadership teams have been well reorganized, the various tasks of reorganizing enterprises can be undertaken under leadership of the new leadership teams. One must dare to come to grips with some "tough" jobs in the course of reorganization, such as restructuring of leadership teams and organizations, and organization of labor. Leading cadres in state farm and land reclamation departments everywhere must personally take the lead in the reorganization of large and medium size enterprises (those that have taxes and profits of more than 10 million, or more than 5 million yuan per year respectively). Good planning for the reorganization of enterprises in one's own area is also necessary. During the last half of 1983, examination of the group of enterprises now in process of being reorganized is to be organized. General requirements call for examination for acceptance of 30 percent of all enterprises in 1983, 50 percent in 1984, and 20 percent in 1985.

Principal leading cadres in state farm and land reclamation departments everywhere are to take the initiative to gain real experiences from personal encounters in the reorganization of enterprises. Investigation teams that go to enterprises to help improve work and gain firsthand experience led by principal leading cadres must make sure to fulfill their purpose. In his report to the Fifth Session of the Fifth National People's Congress, Premier Zhao Ziyang said, "If leading comrades in charge of economic work in individual areas and individual departments personally take charge of one or two key enterprises, but do not

gain practical experience through personal encounters together with the masses, and limit themselves to issuing exhortations, it will never be possible to gain the necessary knowledge and the initiative to lead in the building of modernization, and it will be impossible to continue competent in the leadership tasks for which they are responsible.

During 1983, various forms of economic responsibility systems are to be further perfected to achieve a well-defined responsibility system in which all employees of enterprises, including leading cadres, are linked to the results of production. Practice during the past several years with the institution of responsibility systems in state farm and land reclamation enterprises has demonstrated that responsibility systems closely linked to the results of production can extremely arouse enthusiasm of employees, and thus that they play a tremendously dynamic role in all of our socialist endeavors. The problem now is that though some production teams or groups and teams in enterprises have done away with the malady of eating "out of a large common pot," the malady of eating "out of a smaller common pot" exists in varying degrees. It is necessary to stir the masses of employees to act on the basis of the desires of the masses of employees, the kinds of production being done, and the scale of production to create forms of responsibility systems that are suited to the characteristics of state farm and land reclamation enterprises, and that are in keeping with local characteristics, assigning responsibilities to teams (or groups) where appropriate, and to individual laborers when appropriate. Genuine efforts should be made to formulate equitable norms for the contracting of sole responsibility for task completion and to handle properly interest relationships among the country, collectives, and commune members individually. Where manual operations predominate, one can and should link calculation of compensation to output, do specialized contracting, assign responsibilities to individuals, and develop various forms of specialized households.

We also have some loss enterprises. Forecasts for 1982 showed 766 loss enterprises, or 30 percent of the nation's total state farm and land reclamation enterprises. In 1982, losses amounted to 330 million yuan. Genuine reorganization of these loss enterprises must be carried out so that they do not continue losses in 1983. For enterprises that have shown losses for a long period of time, contracting of operations may be done. Major experiences during the past 2 years in turning losing enterprises into profitable enterprises show the key to have been good leadership teams. Several "bright people" must be in charge. Once a "bright person" is in charge and a responsibility system is instituted that is in keeping with local circumstances and that suits the desires of employees, it is not very difficult to turn losses into prof-

its. Red Frontier Farm and Yian Farm in Heilongjiang Province had been losing farms ever since they were established. In 1982, their leadership teams were reorganized and contract responsibility systems linked to output instituted. Within a year the situation had changed, losses becoming profits. Facts of this kind have made people broaden their field of vision, and they have more confidence about reversing losses.

We must take firm grip and a real grip on economic work in state farm and land reclamation enterprises during 1983. Rise in the economy is the foundation for steady change for the better of the situation as a whole. It is the foundation for doing all work. Efforts must be made so that the level of development of the state farm and land reclamation economy will be no lower than in 1982, and a genuinely good job must be done of making necessary preparations for sustained healthy development during 1984 and subsequent years. During the past 2 years, like agriculture in the country as a whole, agriculture in the state farm and land reclamation system has been on the rise, and it has developed fairly rapidly. We still have very great potential and we are just now entering the period of major development of socialist commodity production. We have already found a new road of state farm and land reclamation economic development that is Chinese in character of integrated agricultural, industrial, and commercial enterprises and all around development. If we just continue to use correct policies and continue to give impetus to the development of integrated agricultural, industrial, and commercial enterprises, a substantial degree of growth of the state farm and land reclamation economy will be possible during the first 10 years remaining in this century without waiting for the second 10 years.

We must also devote genuine attention to scientific and technical education, and conscientiously improve work styles. The February 1982 national meeting of state farm and land reclamation department and bureau directors for the summarization of 1981 work noted that "our conception of the full use of the powerful productivity of science and technology in development of state farm and land reclamation enterprise production and in getting rid of problems in administration and management is inadequate; it has not been grasped with sufficient vigor, and results have not been great." Nowadays leading cadres do a lot of running around and sightseeing, but few of them go down to the grassroots to help improve work, gain experiences, and look into matters, to uncover and solve problems, to summarize experiences, to foster models, or to use experiences at selected sites for promotion over large areas." Though we had definite achievements during 1982 in state farm and land reclamation science and technology education work, no breakthroughs were made. As a result of pilot projects on

enterprise reorganization, the number of leading cadres going down to the grassroots to help improve work, gain experiences, and look into matters increased, and this has been a very heartening beginning. Recently Central Committee leading cadres noted that more of our economic departments should go into the front-lines to check on and understand true to life problems and do less generalized discussion. They also pointed out that economic departments and persons in charge should issue fewer general exhortations, commands, regulations, and discussions and more vigorously encourage, supervise and prod, check up and discover problems that they then solve in concrete ways. This is a most crucial problems with the work style of leaders today on all fronts. In view of this, we must give more attention to leadership methods.

During 1983, a restructuring of provincial, municipal, and autonomous region organizations will also be carried out. Just as the streamlining of national organizations at the central government level did not impair or weaken development of state farm and land reclamation activities, restructuring and streamlining of provincial, municipal, and autonomous region organizations will likewise not impair or weaken development of state farm and land reclamation activities. During 1983, the "Sixth Five Year Plan," the "Seventh Five Year Plan," and intermediate and long-term plans for the period from now until the end of the century will also be worked out. Pilot projects for organization restructuring will be instituted; genuine strengthening of the building of spiritual civilization centering on the indoctrination of employees in communist ideology will be done; and rotational training will be given cadres on the job. As Comrade Hu Yaobang said, we must emancipate our thinking more and be more courageous about reforms. Each and every one of our comrades should build lofty aspirations and great ideals, increase his sense of responsibility at being master in his own house, learn from advanced personages like Jiang Zhuying and Luo Jianfu, use a fighting spirit, and make new contributions in initiating a new situation in state farm land land reclamation work during the new year.

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4007/117

REORGANIZATION OF COMMUNE AND BRIGADE ENTERPRISES CHARTED

Beijing GONGSHE CAIWU [COMMUNE FINANCIAL AFFAIRS] in Chinese No 2, 6 Feb 83 p 3

[Article by Wang Changbai [3769 1603 2672]: "Speech Given at National Symposium on Reorganization of Commune and Brigade Enterprises (Excerpts)"]

[Text] The Ministry of Agriculture, Animal Husbandry, and Fishery has convened this national symposium on reorganization of commune and brigade enterprises for the purpose of unifying perceptions, exchanging experiences, and promoting national reorganization of commune and brigade enterprises. The conference has reviewed and summarized reorganization during the previous phase, and has analyzed the current state of enterprise reorganization and existing problems. Some views are given hereinafter on four problems distilled from discussions at the conference.

1. General Launching of Commune and Brigade Enterprise Reorganization Work

In 1982 all jurisdictions planned the overall reorganization of commune and brigade enterprises in the spirit of Central Committee documents numbers 1 and 2, and in accordance with requirements of State Council document number 10. They also issued documents on the reorganization of enterprises. As of now, except for three provinces and municipalities in process of running pilot projects, 25 provinces, municipalities, and autonomous regions have begun reorganization by stages and in groups after having completed the running of pilot projects. Statistics show the reorganization of a total of 167,000 enterprises or 12.6 percent of all commune and brigade enterprises, and reorganization of 76,000, or 5.8 percent of them has been completed. Analysis before and after reorganization of 1,773 enterprises in Hubei and Shanxi provinces shows 365, or 20 percent, to have been good before reorganization and 416, or 23 percent, to have been bad. Following reorganization the number of good ones increased to 788, or 44 percent, and the number of bad ones declined to 89 or 5 percent. Comrades attending the meeting unanimously agreed that

a great difference existed between those reorganized and those not reorganized. Generally speaking, enterprises that had undergone reorganization achieved the following:

(1) The enterprises' leadership teams were strengthened. Specifically, the ideological, professional, and managerial levels of leadership cadres improved remarkably. In 20 counties of Hubei Province where 772 commune-operated enterprises had been reorganized, before reorganization 24 percent of the teams had been good and 29 percent of them bad. Following reorganization, the percentage of good ones climbed to 47.5 percent, and the percentage of bad ones fell to 3.7 percent. Looked at in terms of professional level, before reorganization 36 percent of 2,249 secretaries, deputy secretaries, plant managers, and deputy plant managers had a deep knowledge of their work, while 22 percent had a poor knowledge. Following reorganization, the professionally aware numbered 51 percent, while those poorly skilled declined to 7 percent. As a result of reorganization of commune and brigade enterprises in Datong City, Shanxi Province, 3,724 enterprise leadership cadres were reassigned elsewhere, and 4,535 brought in. Of those brought in, 2,835 or 62.5 percent were "bright people" who understood technology, were able to manage, had strong work skills, and were dedicated to work. Their assignment strengthened leadership, improved administration and management, and strengthened the production guidance system.

(2) The enterprises' property was inventoried, and financial and economic discipline enforced. An inventory of property and check on materials in 364 commune operated enterprises in Haicheng County, Liaoning Province turned up 5.94 million yuan in losses resulting from property that had been lost or scrapped. This was 5.5 percent of the enterprises' total property, and averaged 16,000 yuan per enterprise. Statistics from 452 enterprises in Hunan Province showed losses and waste created by corruption, theft, entertaining, gift giving, and such improper activities to have averaged almost 10,000 yuan per enterprise. At a rate of 10,000 yuan per enterprise, that means 13.3 billion yuan for the country's 1.33 million enterprises. What an astounding figure! The inventorying made everyone realize the seriousness of the problem. Everywhere systems were set up and perfected for the strengthening of management, and a group of cadres were indoctrinated and rehabilitated.

(3) Improvement in administration and management, with striking improvement in economic effectiveness. The strengthening and perfection of production responsibility systems aroused commune member enthusiasm for socialism, and bolstered confidence in running enterprises. A mass movement for the study of science, the study of technology, and the study of management gradually

unfolded. The orientation of operations of commune and brigade enterprises was further corrected, quality of products generally improved, and the economic effectiveness of a major of enterprises improved strikingly. Statistics from Hubei Province showed that in enterprises where reorganization had been completed in 1982, fulfillment of output value during the first half of the year was 28.8 percent greater than during the same period in 1981, while it increased by only 19.9 percent for enterprises overall. Income from sales increased 65.2 percent, while it increased by 20 percent for enterprises overall. Tax revenues increased 39.2 percent over the same period of 1981, and the profit rate per 100 yuan of output value increased 27.1 percent. The labor productivity rate for personnel as a whole rose 29 percent. Enterprises that had sustained losses for a long time and could scarcely keep going changed greatly following reorganization.

Practice has shown that reorganization just has to be done. Reorganization can bring personnel to the fore, can increase speed, can produce results and can produce benefits.

2. Need to Increase Further the Significance of Commune and Brigade Enterprise Reorganization.

Central Committee 1982 document number 1 called for "needed reorganization of existing commune and brigade enterprises, improvement in administration and management and in democratic management, and better operation." Some comrades, however, lack sufficient understanding of the significance of the reorganization of commune and brigade enterprises. They still want to procrastinate, are apprehensive, and fear difficulties. They feel that advanced units in enterprises require no reorganization. Where there is not enough work to do, they have no enthusiasm for reorganization; where there are too many contradictions, they do not dare reorganize; where work is too busy, they have no time for reorganization; and where a poor foundation exists, they cannot reorganize. All these things show largely a lack of understanding of the significance of reorganization. They do not realize that we are facing a new time of all-around socialist economic upsurge. The 12th Party Congress has put forward the goal of a tripling of the gross annual output value of industry and agriculture by the end of the century. The task of commune and brigade enterprises and of agricultural production in the realization of this strategic goal is a fairly arduous one. The crux of multiplying output value in commune and brigade enterprises lies in high economic effectiveness. This requires reorganization within a period of 2 or 3 years of all commune and brigade enterprises to lay a foundation for healthy future development. Comrade Zhao Ziyang said, "Comprehensive reorgani-

zation of existing enterprises is crucial to improvement of economic effectiveness, to increasing treasury revenues, and to realizing a fundamental turn for the better in the national economic situation, as well as for laying a good foundation for China's future vigorous economic development. Without it, there is no foundation for any work." In order to unify and increase understanding, we must look at the importance of reorganization in terms of the position and role of commune and brigade enterprises; look at the importance of reorganization in terms of the not very high current economic effectiveness of commune and brigade enterprises; and look at the urgency of reorganization in view of the large numbers of problems that have now been brought to light. Only when perceptions have been unified is it possible to keep in step, and possible to do a coordinated job of reorganizing commune and brigade enterprises.

3. How to Go About Reorganization of Commune and Brigade Enterprises

At the 1982 National Symposium on Enterprise Reorganization Work, Comrade Zhao Ziyang said "This comprehensive reorganization of enterprises is for the purpose of effecting a thorough cure, and is a constructive reorganization. It should be conducted together with readjustment and restructuring." "Reorganization of enterprises should be directed closely to the goal of increasing economic effectiveness." "The ultimate test of how well reorganization has been done lies in whether economic effectiveness has been improved." Acting in this spirit, the goal of reorganizing commune and brigade enterprises is further implementation of the program of readjustment, restructuring, reorganization, and upgrading of the national economy, full tapping of the potential of existing enterprises, increasing economic effectiveness, and giving impetus to more healthy development of commune and brigade enterprises so that they play a greater role in building of the "four modernizations."

Experiences everywhere have shown that reorganization of commune and brigade enterprises means daring to "get tough," and daring to act to solve major problems existing in enterprises. Though problems existing in commune and brigade enterprises are fairly numbers when looked at in national terms, there is a common nature to them. One is leadership team problems; the second is the problem of chaotic finances; and the third is the problem of economic responsibility systems. The conference exchanged numerous valuable experiences on solution to these problems, which are capsulized as follows:

(1) Problems of leadership teams. The major problems existing today are their inability to manage, lack of understanding of

technology, over age, poor democratic work style, and fairly serious unhealthy tendencies. All jurisdictions have come to realize through practice that the rise or decline, and the life or death of an enterprise are related to its leadership teams. For this reason, the key to enterprise reorganization lies in reorganization of leadership teams. And reorganization of leadership teams further requires emphasis on the reorganization of thinking. Various jurisdictions have used the following methods to solve leadership team problems: First has been to maintain good leadership teams pretty much as they are, and to handle their shortcomings and errors largely through criticism and self-criticism to upgrade their ideological consciousness and management skills. In the case of weak, lax leadership teams, mostly readjustment, transfers out, and bringing in of new personnel has been done. In the case of paralyzed and rotten leadership teams, decisive action has been taken with reorganization or reconstruction. Handling of individuals within leadership teams must be done on the basis of individual circumstances. Cadres who understand techniques, are professionally competent, are able to manage, have zeal for work and are able to innovate should be charged with heavier responsibilities and permitted to work boldly. Cadres with shortcomings who have blundered should be helped and educated. Comrades who have done meritorious service in the development of commune and brigade enterprises but who have now become old, feeble and hard put to handle complex tasks or do painstaking work should be transferred out of leadership positions and either assigned to work they are able to do or retired, suitable attention given to their productivity and livelihood. Cadres who have made serious mistakes should be sternly dealt with, including removal from their leadership duties. The minority that have violated criminal law should be turned over to justice departments for punishment according to law. In the process of reorganizing leadership teams, new blood should be selected to meet requirements of the "four modernizations" and to augment leadership teams so that gradually each and every enterprise will come to have several "bright people": a professionally competent plant manager in charge, a technical person with genuine ability and learning, a active and capable supply and marketing person, and an accountant adept in financial matters. Cadres should be drawn largely from among an enterprise's employees. Alternatively they may be assigned by higher authority or recruited from society at large.

(2) Problems in financial reorganization. An enterprise's finances relate to all the enterprise's activities and to every individual in the enterprise. They tell whether an enterprise is well run or not, and they are a mirror of high or low economic effectiveness. Main tasks in the reorganization of commune and brigade enterprise reorganization is to straighten out property records,

clean up messes, establish a fine system, improve management, plug loopholes, increase earnings and save expenses, strictly enforce financial and economic discipline, correct unhealthy tendencies, and strike down criminal economic activities. Experiences in various places show the following to be the three main jobs:

First is attention to putting things in order. Usually a combination of mass arousal and specialized teams is used in this job, with attention going first to retired ledgers then to active ledgers; first to cadres, then to the masses; first to internal matters, then to external ones; and first to matters at hand, then to more remote matters. Nanchang County in Jiangxi Province has proposed "six clearances and six checks," namely, clearing of income, checking of expenditures, and verification of actual gains and losses; clearing of account books, checking of payments to higher authority, cancelling many things and adding few; clearance of cash, checking on transactions, and payment of debts in arrears; inventorying of property, checking income and outgo, and verification of assets; clearing of property, checking of overstocking, and freeing up funds; inventorying of materials, checking of warehouse storage, and planning of purchases. There are also seven clearances and seven checks, and eight clearances and eight checks systems. The point is the need to clarify and check everything.

2. Second is a firm hand on implementation and handling of matters. Hunan has proposed the need to check on the one hand, implement on the other, handle on the other, and make good on commitments as well. Strict attention should be given to the honoring of commitments, honoring at once all commitments that can be honored and setting a date for the honoring of those that cannot be honored for the time being. The sacred inviolability of collectively owned property must be established together with an atmosphere of complete return or payment for anything unlawfully taken or obtained.

Third is attention to financial management. This entails the building, strengthening, and perfection of all financial systems, and the readjustment and buttressing of financial accounting corps. Longhai County in Fujian Province has proposed "three buildings, two openesses, and one stability" following reorganization. "Three buildings" means building of a financial accounting system; building of procedures and systems for the arrival, checking out, issuance, and return of materials and products; and building of a system of quarterly mutual checking by communes (or production brigades). The "two openesses" means openness of financial receipts and expenditures, and openness in the use of welfare funds and issuance of bonuses. The "one stability" means

stability in financial personnel in an enterprise. Transfers of financial personnel in commune-operated enterprises should be subject to approval of county commune and brigade enterprise bureaus and commune enterprise management stations.

(3) Establishment and perfection of production responsibility systems. Formerly communes and brigades exercised centralized control over enterprises' earnings and expenditures, and egalitarianism and eating "out of two common pots" in enterprises' internal distributions. This seriously impaired the enthusiasm of enterprises and commune members. Institution in agriculture of production responsibility systems linking centralization and decentralization gave impetus to and promoted the establishment in commune and brigade enterprises of economic responsibility systems. Today, 90 percent of enterprises in the country practice various forms of economic responsibility systems. Nevertheless, two prominent problems still exist in the strengthening and perfection of economic responsibility systems.

The first such problem is two lows, i.e. some enterprises set quotas and contract base figures low as a result of which problems have cropped up with individuals getting a lot but collectives withholding little. The object of economic responsibility systems is to stir the enthusiasm of communes (or production brigades), of enterprises, and of commune members who do the work, and to increase economic benefits, thereby increasing collective earnings, increasing withholdings by enterprises, and increasing individual earnings. For this purpose, all jurisdictions have advocated a close linking of responsibilities, rights, and benefits in economic responsibility systems, with output, quality, costs, profits, consumption, safety, and economic responsibility systems all being linked together. Diverse forms of economic responsibility systems may be permitted. Whatever the masses want that helps arouse enthusiasm and helps develop production should be permitted with no restriction to a single form or no practice of "arbitrary uniformity."

The second problem is one fear. In the study of "double contracting" responsibility systems in agriculture today [contracting of sole responsibility for output or for task completion to individual households], some comrades in commune and brigade enterprises fear that once commune and brigade enterprises institute contract systems, collective property will be "divided up" till none is left. Actually, the decentralization of a small scale livestock raising industry, beverage industry, or processing industry through their contracting to specialized teams or specialized households means only a change from the collective operation of the past to a divided up operation. The organization of production by contracting teams or households, the designation

of responsibilities, and the planning of production by enterprises will become more equitable and economic effectiveness higher. In this way of doing things, the enterprises' ownership rights continue in the hands of the collective, so how can one say that the collective's property is divided up until there is no more? In running commune and brigade enterprises as in running any other enterprise, we must rely on the initiative of the masses. The masses have tasted benefits and received inspiration from the practice of "double contract" production responsibility systems in agricultural production, and they demand that commune and brigade enterprises likewise restructure, likewise link remuneration to output, and likewise contract. In order to make commune and brigade enterprises develop faster and meet the demands of the masses, enterprises should be permitted to contract. When problems of this or that kind crop up in the course of contracting, they are work problems requiring that we constantly summarize and constantly perfect for healthy development. From a look at some commune and brigade enterprises that have already instituted contract responsibility systems, we believe several problems in the institution of contracts require attention and understanding. One is that fixed standards should be set, insofar as possible, for the "five fixeds." This is the foundation for equitable distribution. A second is that agreements should state clearly the responsibilities, rights, and benefits of both contracting parties, showing concurrent concern for the interests of the three (the country, collectives, and commune members individually). There can be no pursuit of individual interests occasioning distribution of collective property. Third is the need to preserve the value of fixed assets, depreciate them, and pay indemnities for damage done to them. Fourth is no reneging on matters that have been contracted. Leaders must supervise and check. First is the need to honor policies and laws; those who disobey laws and violate discipline should be punished. Finally and most importantly, when we lack experience, we should not rush to establish that form or promote this form; we should diligently investigate and study, summarize experiences, set up pilot projects, and gradually promote systems.

4. A Good Job Must Be Done in Reorganizing Commune and Brigade Enterprises

Commune and brigade enterprises are characterized by collective ownership, and the practice of a system that is both worker and peasant. There are 1.33 million enterprises spread in every corner of the countryside. Some enterprises have as many as 1,000 employees, while others have as few as three to five. The average number is about 20. How can a general reorganization of such a large number of enterprises be done? Sole reliance on higher authority assigning people to carry out the reorganization is

both impossible and unnecessary. It is preferable to rely on the party organization in enterprises, to rely on enterprise cadres, and to rely on commune members working in enterprises to carry out the reorganization. This requires that our reorganization work focus on major enterprises, start at single sites and spread to areas in the linking of individual sites and wide areas. Except for those key enterprises in which there are numerous problems in leadership teams to which higher authority must send people to solve problems and where people must remain to investigate, most of the reorganization can be done through County CPC Committee centralized planning and centralized leadership, reliance on commune (or production brigade) CPC committees, reliance on the party organization in enterprises, and reliance on the commune members working in enterprises. In most enterprises, major problems can be taken care of through the unified leadership of commune CPC committees or party branches in production brigades. They can help enterprises solve their problems, make various recommendations, and check on commune centralized organization of forces.

Reorganization certainly requires adherence to high standards and strict requirements, and strict requirements are particularly necessary for key enterprises. The foundation and conditions already existing in rural villages should be used to the full in an effort to achieve optimum results. Since this is a major affair for the laying of a foundation, for raising standards, for planning existence, and for seeking development, it must be taken firmly in hand and results achieved.

Of course, this reorganization does not mean a solution that will hold good for all time, and that no further problems will arise in enterprises. It has to be realized that commune and brigade enterprises will encounter new problems and new contradictions in the course of their development. Making commune and brigade enterprises multiply their industrial and agricultural output value, and making the most of their role in achieving the goal of a comfortable life requires that we keep up with development of objective circumstances, constantly give attention to the study of new problems, summarize new experiences, explore new paths, and struggle for the healthy development of commune and brigade enterprises and for attainment of the magnificent goals set by the 12th Party Congress.

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CS0:4007/115

PRIORITY LOANS TO SPECIALIZED GRAIN HOUSEHOLDS PROMOTED

Beijing ZHONGGUO NONGMIN BAO in Chinese 14 Apr 83 p 1

[Article: "Main Branch of the Chinese Agricultural Bank Issues Notice: Priority Loans to Be Given to Specialized Grain Households"]

[Text] The main branch of the Chinese Agricultural Bank issued a notice to all branch banks in every province, municipality and autonomous region requesting that every level of rural finance departments support grain commodity production by placing emphasis on specialized grain households.

The notice pointed out that the rise in specialized grain households provides a suitable form for intensive farming of the land, and has opened up a new route for the development of grain commodity production. The main branch requested that every level of agricultural banks and credit associations strengthen their investigative research, become fully informed about the number of specialized grain households in their local districts, and their production arrangements as well as their surplus or lack of production capital so as to have a clear idea of what to do. They should earnestly assist specialized grain production households set a production plan, and make workable arrangements for production capital. They should support those needing credit and give them credit priority. They should coordinate rural credit work with agricultural technology as much as possible, not only supporting specialized grain households in purchasing superior varieties, but they should also support them in the breeding, purchase and transportation of superior varieties and support specialized companies and households in breeding and building up superior varieties to gradually establish a system of breeding good strains of seed. At the same time they should actively support soil improvement and building small scale agricultural land water conservancy projects, rational application of fertilizer and technical measures such as prevention of plant diseases and insect pests. They should assist specialized grain households in resolving difficulties in purchasing means of production and difficulties encountered in selling agricultural commodities, and actively support specialized grain households expand their raising of pigs and cattle, and assist them in resolving feed supply and other problems. The notice also requested that they offer convenient terms in settling accounts. They should provide cash to specialized grain households in need of cash to sell agricultural sideline commodities, and transfer accounts for those in need of it. Large scale specialized households can also establish accounts at the banks and credit associations in order to benefit them in carrying out their management functions.

12360

CSO: 4007/148

INCREASING SOIL FERTILITY KEY TO RAISING AGRICULTURAL PRODUCTION

Beijing ZHONGGUO NONGMIN BAO in Chinese 14 Apr 83 p 1

[Article by staff commentator: "Cultivating and Maintaining the Soil: A Major Project Affecting Future Generations"]

[Text] Ours is a great agricultural nation with a huge population and little arable land. We must feed 1 billion people on this limited area under cultivation. This is one of the greatest contradictions in the world. In order to resolve this contradiction, we must of course not rely on Nature to feed us. And we also cannot follow the road of "petroleum agriculture" and "energy agriculture" which foreigners have followed. We can only go our own way, which is to use arable land less but grow more grain.

"Using arable land less but growing more grain" means raising per mu yield. There are many measures to raise per mu yield. Breeding and planting superior varieties, prevention of plant diseases and insect pests, and improved cultivation techniques are all important measures. However, from the point of view of basic agricultural production and from the point of view of matter transformation, the most basic is still to stress soil fertility. Because superior varieties and advanced cultivation techniques are only able to bring about increased production when there is fertile soil and fertilizer is rationally applied.

However, at present among the various measures in agricultural production in our country, fertilization of the soil is still a weak link in the production chain. Middle and low yield fields comprise 2/3 of our country's arable land. Many places place emphasis on use but not on soil maintenance. Where there is insufficient organic fertilizer, the area of green manure has decreased in many places and soil fertility has dropped. The rate of use for chemical fertilizers is low and with poor results. In general the rate of nitrogenous fertilizer use is around 30 percent, 15 to 20 percent lower than the world's average. These backward factors point up the important latent potential in our country's agricultural production. Lianshui County in Jiangsu Province has provided us with valuable experience and inspiration. In the past Lianshui County was known for being a poor country with low productivity north of Huai He. The land was either dry or waterlogged, saline or infertile. Production was very backward. For many years building on their great emphasis on water projects, they

suddenly stressed planting green manure and cultivating soil fertility, and rationally applying fertilizer. Grain production developed quickly. The county has changed from a "three dependencies" county to one which contributes grain commodities to the nation.

The experience of Lianshui County tells us that in order to handle agricultural production well and reach the goal of high, steady, and ever-increasing production, we must establish a high quality, low cost, efficient and harmonious agricultural land ecosystem. And the key measure in establishing this ecosystem is increasing fertilization and altering the soil, because "all things come from the soil and with soil, there is wealth." In the relationship between using and maintaining the land, using the land is the goal and maintaining the land is the means. Only by uninterruptedly raising soil fertility as Lianshui did by promoting planting green manure in such an active way can we ensure that the soil becomes more fertile with each planting, yield becomes higher with each planting, and agricultural cost becomes lower with each planting. Thus when the soil has been made fertile, it is not a "dead treasure," but a "living treasure," a precious jewel. Therefore people who work in agricultural production should love and protect soil fertility in the same way as they love to eat everyday. This is a major project affecting future generations, and the strategic measure in developing agricultural production.

12360

CSO: 4007/148

PADDY RICE PLANTED ON DRYLAND PROMOTED FOR NORTH CHINA

Beijing GUANGMING RIBAO in Chinese 10 Apr 83 p 1

[Article: "Twenty-five Experts and Professors Propose That Paddy Rice Planted on Dryland Should Be Extended in the North; Less Water and Effort is Expended Than for Transplanting Rice Seedlings in Rice Paddies; In General Yield and Output Value are Greater Than Dryland Grain Crops; This is an Effective Measure to Increase Grain Production"]

[Text] The Chinese Academy of Agricultural Sciences recently convened a symposium on paddy rice planted on dryland. At the meeting Huang Zhaozeng [7806 5128 2582], Zhou Yuheng [6650 3022 3801], and twenty-five other paddy rice experts and professors advanced an important proposal: to extend the technology of growing paddy rice on dryland in the north of our country, especially on the plains draining into the Yellow Sea between the Huang He and Huai He.

The experts thought that at present a technique has already been perfected to plant paddy rice on dryland. It conserves water and labor (it does not require growing rice seedlings or transplanting rice seedlings, and uses less irrigation water), and yield and output value in general are greater than dryland grain crops. This is an effective measure to increase grain production in our country.

Paddy rice in the north of our country has been limited to around 30 million mu since the founding of the People's Republic due to the limitation of water supplies.

In 1973 deputy research fellow Guo Yixian [6665 4135 0341] of the Chinese Academy of Agricultural Sciences carried out experiments and conducted research with the Donglu City Production Brigade of Daxing County in Beijing Municipality as they planted paddy rice on dryland. After the rice seeds were directly planted in the soil, irrigation was not needed in the seedling stage. Even though the spring was dry, each mu only needed to be irrigated once to keep the soil moist (40 cubic m. of water). When the seedlings had grown four or five leaves, the rainy season arrived, and the rains were used for irrigation. During the whole growing season, each mu only required 300 cubic meters of water, 2/3 less water than that required by paddy rice. Last year, 76,000 mu of dryland was planted with paddy rice for the spring crop in Beijing Municipality.

Average mu yield was 800 jin. Several high yield fields of 50 mu or more (planted with hybrid paddy rice) averaged 1126 jin per mu, surpassing yields of transplanted paddy rice.

In recent years, the provinces of Liaoning, Hebei, Henan, Shandong and Tianjin municipality have all successfully experimented with planting paddy rice on dryland. Last year the Dafeng Commune in Wuzhi County of Henan Province replaced a summer crop of corn with directly sowed paddy rice. The commune sowed altogether 450 mu. Average yield was 664 jin per mu, not only a higher per mu yield than corn grown after the wheat harvest, but its net yield was 148 percent greater.

The experts felt that future prospects for growing paddy rice on dryland in the north were favorable. The drainage basin plain between the Huang He and Huai He which empties into the Yellow Sea possesses the engineering projects of diversion canals on the Huang He to Jinan and Tianjin and canals to divert water from the south to the north. Groundwater in the banks on both sides of the projects is bound to rise. Pumping groundwater for irrigation can develop paddy rice planted on dryland as well as be beneficial in preventing secondary salinization of the soil. Paddy rice can also be extended to dryland areas with access to irrigation and waterlogged lowlands.

12360

CSO: 4007/148

RURAL FINANCIAL AND ACCOUNTING WORK NEEDS REVIEWED

Beijing GONGSHE CAIWU [COMMUNE FINANCIAL AFFAIRS] in Chinese No 3, 6 Mar 83 p 3

[Article by Wang Hanzhi [3769 3211 0037]: "New Problems and New Methods in Rural Financial and Accounting Work"]

[Text] Editor's Note: The situation in rural China today is extraordinarily good. The cooperative economy in its many forms is full of life and flourishing. Rural financial and accounting work must keep pace with the situation and do a better job of creating a new situation of further service to agriculture. It is for this purpose that we asked Comrade Wang Hanzhi to write this article titled, "New Problems and New Methods in Rural Financial and Accounting Work."

Following 4 years of restructuring of China's rural economic system and readjustment of production relationship, the former three tier system of ownership in people's communes in which production teams were the basic accounting unit has undergone changes. Diversified and multi-layered cooperative economic units have come into being. Fundamental changes have taken place in the former completely centralized administration and highly concentrated management. The new form of administration has small scale contracting by individual peasant households (or small teams) as its foundation; a combination of decentralized administration and centralized administration; equal emphasis on concentrated administration and diversified administration; and use of various specialized partnerships and socialized services leading to large scale integrated agricultural, industrial, and commercial operations. This sort of both small and big, both decentralized and centralized, both specialized and related, multi-department operations and multi-layered service as a form of administration of wide adaptability has impelled rural production to advance in the direction of specialization and socialization. It has smashed a long-standing situation of stagnation in

China's agriculture, and has given impetus to change from an economy of agricultural self-sufficiency and semi-self sufficiency to large scale commodity production, and a transformation from traditional agriculture to modern agriculture.

Financial and accounting work is an integral part of administration and management. With the entire rural economy undergoing a transformation, and with the transformation of administration and management, finance and accounting work must undergo a transformation as well. It must study new problems, find new methods, and keep up with developments in order the better to develop a new situation of further service to agriculture.

What are the new problems in rural financial and accounting work?

First, as a result of the practice of contract responsibility systems, the former basic accounting units in people's communes have turned into both decentralized and centralized cooperative economic entrepreneurial units primarily for administration of the land. Their grassroots levels are contract households or contract teams. Contract households and contract teams are economic entities possessed of self-determination in the running of production. Within contract units are some people with administrative skills, and a lot of knowledge of economic accounting; their effectiveness in running production is very high. When production tasks that formerly lost money are contracted to them, losses are very quickly turned into profits. But our financial and accounting has not made these contract units the object of their attentions, and they have yet to take the initiative in summarizing and promoting their experiences. The former system of ledgers, accounting categories, statistical tables and reports cannot completely reflect contract economic activities. Accounting of the various economic indices in contract agreements has not been treated as an important matter. In some units, contract indices and indices of payments to higher authority are not accounted for in terms of output (or output value) quotas, consumption quotas, and work quotas. Contracting is inequitable and relationships among the country, collectives, and individuals are not properly handled, which makes the masses dissatisfied. In addition, the fee collection standards for some large and medium size farm machines and hydropower facilities centrally managed by collectives that serve contract households are not figured in terms of expenses. Some are overly high, and some are overly low. This is because financial and accounting work has not kept pace, which has resulted in incomplete perfection of contract responsibility systems and agreements systems.

Second, commune and brigade entrepreneurial units have now under-

gone reorganization and have promoted various forms of economic responsibility systems; they will become various kinds of specialized cooperative economic entrepreneurial units. A very large number of them are rural cooperative industries, and some are rural cooperative businesses and service trades. It is necessary to learn the accounting methods of industry and commerce.

Third, specialized cooperative economic entrepreneurial units have newly linked up on the basis of the family economy of various kinds of specialized households (or priority households). They have become shareholders in labor, funds, implements, and techniques, and divide profits on the basis of shares held. There is a strong element of specialization in the items they produce and the percentage of marketable products is high. Accounting methods suited to these circumstances should be studied.

Fourth, following restructuring of the system to separate politics from the running of communes, some communes have become integrated agricultural, industrial, and commercial entrepreneurial units. Their activities include cooperative production, cooperative supply and marketing, cooperative storage and transportation, and cooperative credit. This is a process that has a bearing on the whole process of supply, production, and marketing before, during, and after production, and economic links from top to bottom, left to right, internally and externally are extremely widespread. A complete set of ledgers, accounting categories, and statistical tables and reports is necessary, as is a financial and accounting system as the only way in which to meet needs.

In short, former financial and accounting work was suited only to the needs of the self-sufficient and semi-self sufficient traditional agricultural economy, and it largely reflected economic activities within enterprises. It emphasized effectiveness of the micro-economy. Ledgers, categories, reports, tables, and entries were fairly homogeneous. Henceforth, financial and accounting work will have to meet needs in the development of commodity production and the transformation toward modernized agriculture. It will have to be widely adaptable and capable of reflecting complex economic relationships, and serve to increase economic effectiveness.

Consequently, effective restructuring of rural financial and accounting work must be undertaken. What is the new course of this restructuring?

First of all, one can begin with the system to establish a specialized financial and accounting service organization (service stations or service companies). Rural financial and accounting

personnel can be organized, management centralized, and overall planning done. The former administrative management methods can be changed and enterprise management instituted. Accounting personnel serve individual units in the rural cooperative economy; they should sign service agreements and collect fair fees. Centralized service organizations will permit improvement in the professional levels of accounting personnel and the steady training of new personnel. Forces can be allocated to individual specialized units and individual service layers, with both decentralization and centralization for flexibility. Only in this way can complete financial and accounting tasks be completed.

Next, contracting units should be designated as the object of attention of financial and accounting work. Emphasis should be placed on economic accounting and increase in economic effectiveness beginning with grassroots cells. "Model households" should be nurtured, and everyone encouraged to study the models. Young people in contracting units should learn how to make entries in accounts, to calculate accounts, and to settle accounts. They should learn economic accounting. Sampling methods can be used with some peasant households selected as base points, with help given them in setting up accounts, training family accounting personnel, and giving timely guidance. These peasant household base points should be relied on for an understanding of basic statistical figures for outputs, output value, expenditures and income, and serve as a basis for extrapolation to contract households in general.

Third, on the basis of the different specialized units, study should be done in formulating ledgers, accounting categories, statistical reports and tables, and billing methods as well as methods of making entries into accounts. Some existing methods remain suitable for new circumstances and should not be lightly discarded. Where they do not suffice, they may be added to. Where they are not suitable, they can be changed.

Fourth, The focus of present work is further perfection and implementation of contract responsibility systems and agreement systems. Accounting work must also devote attention to accounting work on various economic indices in contract agreements. Various contract norms and norms for payments to higher authority should be set in terms of output (or output value) quotas, expense quotas, and work quotas for correct handling of the relationship among the country, the collective, and individuals.

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SUGGESTIONS ON STRENGTHENING OF RURAL FINANCIAL MANAGEMENT

Beijing GONGSHE CAIWU [COMMUNE FINANCIAL AFFAIRS] in Chinese No 3, 6 Mar 83 p 15, 16

[Article: "PRC Agricultural Collective Economy Management and Administrative Center Forwards the Hubei Provincial Agricultural Committee's "Suggestions on Further Strengthening and Improvement of Commune and Brigade Financial Management"]

[Text] To all provincial, municipal, and regional agricultural committees (or offices), departments (or bureaus) of agriculture, departments (or bureaus) of animal husbandry, administrative and management offices, and commune offices:

Today various forms of contract responsibility systems linked to output have become the main forms of agricultural production responsibility systems everywhere. In order to meet the needs of these forms of responsibility systems, strengthening and improvement of commune and brigade financial work has become a major ingredient in the consolidation and perfection of production responsibility systems, as well as a key link in doing a good job from start to finish in reorganization of commune and brigade finances. A prominent problem at the present time is the slow development of financial reorganization in many places, which has hurt the consolidation and perfection of production responsibility systems, and has hurt progress in ushering in a new situation in the rural economy. This state of affairs should be turned around at once. Practice in many places has demonstrated that in the new situation of burgeoning rural development, financial reorganization and perfection of production responsibility systems must be taken in hand at the same time in order to hasten the pace of financial reorganization, to give impetus to the consolidation and perfection of production responsibility systems, to improve and strengthen both commune and brigade financial management and accounting work, and to meet needs in development of the rural economy. To this end, it is hoped that all jurisdictions will link local realities to the provisions of State Council (1982) document number 10 in an effort to do a good job of financial reorganization before this winter. Places that

have finished reorganization should devote serious attention to checking and examining, and to making up deficiencies in order to do a good job of building a system and building a financial corps. Brigades that are in process of reorganizing or that have not reorganized should devote time and resources to doing a good job of both perfecting production responsibility systems and reorganization work. At the same time, they should do a good job of building an organization and a corps. If delays continue, inevitably new financial messes will result in work losses.

The suggestions that the Hubei Provincial Agricultural Committee has made are very good ones, and they are not being forwarded for your consideration.

PRC Agricultural Collective Economy Management and Administrative Center. 6 January 1983.

Suggestions on Further Strengthening and Improvement in Commune and Brigade Financial Management. Hubei Provincial Agricultural Committee

Today various forms of contract systems linked to output are being widely practiced in the rural villages of Hubei Province. Production teams using centralized contracting of sole responsibility for work tasks to individual households number 92.1 percent of all brigades. In order to make commune and brigade financial management meet changed circumstances, and to promote consolidation and development of the collectively owned cooperative economy, the following suggestions are made.

1. Need for a correct understanding of the new circumstances and new characteristics of commune and brigade management today

As a result of all jurisdictions having made centralized planning to carry out commune and brigade financial reorganization by groups and in stages, remarkable improvement has taken place in the financial management of an overwhelming majority of communes and brigades. Wherever centralized contracting of sole responsibility to individual households has been widely carried out and constantly improved, favorable conditions have been provided for the strengthening of commune and brigade financial management in many ways. The distribution process has been greatly simplified, and loopholes permitting "reckless borrowing, reckless advances, and reckless overspending" have been plugged. Improvement in collective asset management systems has meant a general definition of the responsibilities and compensation of personnel who are in charge of looking after and using the assets. It has increased the in-service rate and utilization rate of all items of equipment. Particularly now that commune members have self-

determination in production, administration, and distribution, their sense of being masters in their own house has been strengthened and their consciousness about economic effectiveness has been increased. At the same time, it should be realized, however, that some new problems deserving of attention also exist in commune and brigade financial management work. The most important such problem is that in some communes and brigades some cadres and masses mistakenly suppose that "there is no need for finance in the contracting of sole responsibility for task completion to individual households," and that "distributions in contracting of sole responsibility for task completion require no accountants." This has resulted in uneven apportioning of financial and accounting personnel, and chaotic management with murky account books, poor management of collective property and funds, no settling of debts owing and debts receivable etc. Statistics show that up until the fall of 1982 about 2 percent of the 130,000 production teams practicing unified contracting of sole responsibility for task completion to individual households had no accountant; 6.8 percent had not set up ledgers; 10.2 percent had not inventoried and recorded fixed assets; 8.9 percent had no record of debts owing and debts receivable; 8 percent did not withhold accumulation funds; and 49.4 percent did not withhold depreciation funds for fixed assets. The appearance of these problems in financial management has been clearly caused by the failure of understanding and actual work to keep abreast of developments. For this reason it is necessary to educate cadres and the masses to understand that following the institution of centralized contracting of sole responsibility for task completion to individual households that most financial management functions should continue the responsibility of collectives. For example, grain and cash withheld by collectives must be managed and used well. Signing of contracts, final settlements, and honoring of contracts all relate to the economic agreements of countless households, and doing a good job of them is a more complex statistical task, etc. Work in this regard not only cannot be relaxed, but should be greatly intensified. After the fall of 1982, in particular, when more than 40 percent of production teams switched from distribution according to workpoints to distribution on the basis of the contracting of sole responsibility for task completion sufficiently serious attention and direction was required even more in the dovetailing of one financial management system with the other.

2. Places that have instituted centralized contracting of sole responsibility for task completion to individual households should now take firmly in hand eight specific tasks in financial management as follows:

First is conscientious bookkeeping and accounting. They should

set up complete financial ledgers and financial files; they should keep track of the funds, grain, and other things that contract households have paid to higher authority, as well as of income from collective operations and other income. They should keep track of tax moneys, management fees, and centralized administrative expenses and other expenses of collectives. They should keep track of public accumulation funds, public benefit funds, production expense funds and reserve funds. They should keep track of fixed assets. They should keep track of the borrowing and repayment of national loan funds and circulating funds, as well as of commune member transactions and other transactions. They should keep track of income from collective operations and distribution of profits paid back to production teams by commune and brigade enterprises.

Second is the signing, settlement, and honoring of all economic agreements. When establishing production responsibility systems, pertinent policies provide for the organization of democratic discussion by the commune member masses and the household by household signing of economic agreements for production, administration, and distribution, with requirements for specific tasks clearly stipulated. Furthermore, on the basis of agreements, final settlement and honoring of agreements is done during the summer, the fall, and at the end of the year.

Third is good care and use of collective property. Collectively owned property must be recorded in registers, the record and the property agreeing. Care and use methods may be flexible and varied. Things readily carried for and used by commune member households such as medium and small farm implements and plow oxen might be contracted to individual households who would be responsible for maintaining their value, with a reasonable annual depreciation rate stipulated. If the masses desire, a price might also be set for their sale to commune member households, the funds received for them being entered into the accounts as public accumulation funds. In principle, collectively owned water conservancy facilities, granaries, and public buildings should be centrally managed by brigades and contracted to individual laborers or teams, with specific management responsibilities and corresponding compensation set. Large machines and agricultural sideline product processing equipment could be contracted to individual laborers, individual households, or households in partnership for care and use, with profits and depreciation fees collected.

Fourth is a good job of collective withholdings. Consideration should be given to having most production expenses paid by commune member households, and requiring collectives to centrally organize cooperation in production and the carrying out of common

production tasks. To meet needs in running necessary welfare services, collectively withheld accumulation funds, public welfare funds, and management fees would now require a total of about 10 percent of total contract earnings. Joint production fees could be estimated at the beginning of the year and withheld in advance, with the books being balanced at the time of year-end settlement. Withholdings for cadre compensation and subsidies, and compensation paid teachers in civilian operated schools and barefoot doctors, as well as payments for the care of dependents of martyrs and servicemen and households enjoying the five guarantees [childless and inform old persons who are guaranteed food, clothing, medical care, housing and burial expenses by the people's communes] should be withheld as actual circumstances require. It is suggested that communes have an agency to take care of collective funds for deposit in banks, that designated funds be used for their designated purposes, and that major expenditures be democratically discussed and decided upon by the masses of commune members.

Fifth is proper handling of debts owed to and owed by collectives. Funds owing collectives by the state, by collective entrepreneurial units, and by individuals that are in arrears should be paid within a certain period of time. In the case of commune members who have overspent and owe money, household by household plans to repayment of funds over a period of time in accordance with ability to make repayment should be worked up and made into agreements to be honored. Up until the time such debts are repaid, interest on them should accrue to be paid to production teams in accordance with regulations. It is recommended that production teams should make plans for repayment to the state of accumulated debts that production teams owe.

Sixth is gradual analysis of mass economic activities. Conditions should be actively created for planned step-by-step assistance to contract households to do a good job of keeping records of production investments and returns. These recorded data should be used in analysis of economic activities and to distill experiences in increasing output, lowering costs, and increasing economic effectiveness.

Seventh is enhancement of statistical work. After instituting the contracting of sole responsibility for task completion to individual households, when the bookkeeping data in account books does not adequately reflect in an all-around way total production and results of operations of production teams, statistical work must be enhanced, with accounting and statistics linked. Flexible and diverse methods should be used to verify the output, earnings, and expenditures within and outside of contracts, as well as to reflect accurately results of production and operations,

and effectiveness of investment in order to provide reliable data to leaders at all levels in guiding development of the agricultural economy.

Eighth is the present need to continue to take hold of the job of commune and brigade financial reorganization. Already 45 percent of production teams have completed commune and brigade financial reorganization as originally planned; 20 percent of production teams are in process; and 35 percent of production teams plan to get underway during the spring of 1983. Those teams in process of reorganization should do everything well from beginning to end, examining each case for acceptance as each case is finished, and redoing matters when they have been perfunctorily done. Production teams planning to get underway should try to finish before advance distributions from the 1983 summer harvest.

3. Strengthening of leadership of commune and brigade financial management work.

Agricultural economic management departments at all levels should treat as an extremely important task the strengthening and improvement of commune and brigade financial management, and they should devote diligent attention to it together with perfection of agricultural production responsibility systems. At the same time, they should actively explore and accumulate all kinds of new experiences, and experiences and methods used in integrated financial management. Cadres engaged in administration and management work should investigate and study deeply. They should operate pilot projects, give attention to representative examples, and rapidly summarize and promote new experiences created by the masses. They should regularly report situations to comrades in responsible positions in party CPC committees and government, make suggestions, and be good staff officers to help leaders at all levels make centralized plans for this work. They should intensify the building of financial corps, and where no corps of financial personnel has been assigned, assignments should be made within a certain period of time. Places already staffed should be kept stable. Establishment of a specialized corps of accountants is recommended together with constant improvement of their training. Provinces, prefectures, and counties should fulfill their own individual training tasks and strive to uplift the professional level of accounting personnel.

9432

CSO:4007/116

NATIONAL

BRIEFS

RECORD GRAIN HARVEST--Beijing (ADN)--Last year the best grain harvest ever in the PRC's history was collected. According to XINHUA reports, developing grain production is a central point of the current 5-year plan. Intensification, including the cultivation of new strains, is being regarded as the most important means for further increases. Investment means are being focused on the northeastern regions of the country and on the areas on the (Changjiang) River. [Text] [AU241444 East Berlin NEUES DEUTSCHLAND in German 21-22 May 83 p 5]

CSO: 2300/253

OUTLOOK FOR PROVINCIAL STATE FARMS REVIEWED

Beijing ZHONGGUO NONGKEN [STATE FARMS AND LAND RECLAMATION IN CHINA] No 1, 24 Jan 63 pp 4-5

[Article by Sun Zhencai [1327 2182 2088], Director, Fujian Provincial Department of Agriculture: "Strengthen Confidence; Make Greater Contributions"]

[Text] Agriculture is the foundation of the national economy. It has a extremely great bearing on development of industry and of the entire national economy and on improvement of the livelihood of the people. The 12th Party Congress made development of agriculture a major strategic focus in development of the economy, and this is entirely as it should be. This has given extremely great encouragement to the broad masses of employees on our state and land reclamation front.

Very great changes have taken places during the past 3 years in the state of the province's farm and land reclamation enterprises. Losses have been turned into profits; contributions to the country have become increasingly great; and employee earnings have increased remarkably. The province's 127 state farm and land reclamation enterprises had sales grossing 109 million yuan in 1981. This was 86 percent more than in 1978 for an annual average 21.5 percent increase. This included 62.89 million yuan of gross output value from farm-operated industries, a 1.54 fold increase. Earnings from industry as a ratio of total earnings from industry and agriculture climbed from 42 percent in 1978 to 57 percent. In 1981, the province's state farm and land reclamation system showed profits totaling 7,149,000 yuan, 3.09 million yuan more than in 1980, and 3.59 million yuan more than in 1979. This was a change from the situation of year after year losses up until 1978. In 1981, employee annual earnings also rose from the 380 yuan of 1978 to 450 yuan, and 6.85 million yuan was paid to the state in taxes. Despite serious typhoon and flood disasters during 1982, gross income still showed a slight increase over the previous year.

The 12th Party Congress noted that the goal to be achieved in

building of the national economy between 1981 and the end of the century is to steadily increase economic effectiveness and to go on to a tripling of the annual gross output value of the country's industry and agriculture. We have analyzed the state of the province's state farms and land reclamation in terms of this strategic objective, and have put forward some preliminary thoughts on the annual tripling of the gross output value of industry and agriculture in the province's state farm and land reclamation system from 1981 to 2000. This will mean an increase in the gross output value of industry and agriculture from the 99 million yuan of 1980 to 400 million yuan in 2000. Realization of this goal will be an arduous task. Nevertheless, if we just do a solid job, it is entirely achievable. We have ample basis for this statement as follows:

First, a look at the past speed of annual incremental growth of industry and agriculture shows that gross earnings of the province's state farm and land reclamation enterprises rose from 40.75 million yuan in 1976 to 109.26 million yuan in 1981, a 1.68 fold increase, or an average annual 21.8 percent growth. This was much much more than the 7.18 percent speed of development needed for an annual tripling.

Second, a look at intensive expansion of reproduction shows a very great growth potential. For example, tea yields on some farms are 222 jin per mu, while they are only 50 or 60 jin at other farms. Some farms get citrus yields of 4,800 jin per mu, while others get only 500 to 600 jin. A very great potential exists in both the farming industry and in industrial sideline occupations. For this reason, efforts in improving production conditions and vigorous use of advanced and suitable techniques for increasing yields can greatly improve yields per unit of area. Tapping of potential, innovation, improvement, and increases in quantity and quality of products produced by industrial sideline occupations can raise economic effectiveness greatly.

Third, fairly abundant funds exist for development of production. In 1981, the province's fixed assets totaled 91.1 million yuan in value, and the province had 37.14 million yuan of circulating funds. Nevertheless, economic effectiveness was very poor. Both the funds utilization rate and the speed of turnover of circulating funds were very low. Funds turned over only 2.94 times per year. For the province's agricultural and land reclamation enterprises as a whole, each 100 yuan of income created took an average of 33.99 yuan of circulating funds, while it took only 17.80 and 29.22 yuan respectively in the state farm and land reclamation enterprises of Fuzhou City and Jianyang Prefecture. For each 100 yuan of income created, use of 83.38 yuan of fixed

assets was required, while Fuzhou's state farm and land reclamation enterprises used only 45.93 yuan. By improving administration and management and strengthening economic accounting so that the utilization rate of fixed assets and the turnover rate of circulating reached the present level of state farm and land reclamation enterprises in Fuzhou, large amounts of funds could be saved for investment in the expansion of reproduction.

Fourth, Fujian Province is located in the sub-tropics where climatic conditions are good, rainfall is copious, and unboundedly broad prospects exist for development of economic diversification. State farms throughout the province also have more than 300,000 mu of reclaimable land that can be used for the growing of tea and fruits, and for forestry that can produce large amounts of output value.

Fifth, following the Third Plenary Session of the 11th Party Central Committee, the series of correct programs and policies that the party adopted for agriculture, and particularly practice of various forms of responsibility systems, vigorously stirred the enthusiasm of enterprises and of the broad masses of employees, and further emancipated productivity. If we just conscientiously summarize and gradually improve, impetus will inevitably be given greater development of production.

In order to insure realization of the foregoing strategic objectives, most important for the present is use of the spirit of the 12th Party Congress to arm the minds of all state farm and land reclamation employees, to increase their understanding, and to clear away obstacles to thinking in initiating a new situation. Currently some comrades lack sufficient confidence in being able to achieve the strategic objectives. They have a doubting attitude, and as soon as they heard "tripling," they made a comparison with 1958's, suspecting that the "high norms" of the "Great Leap Forward" had returned. They did not realize the essential difference between the new situation in initiating the building of socialist modernization and the "Great Leap Forward" of the past. They used old conventions and old impressions to look at problems, and could not open up their train of thinking. Unless thinking to initiate a new situation is established, no new situation will be possible. For this reason, we are preparing to link the job of reorganizing the province's state farm and land reclamation enterprises to in-depth and in-breadth study of the spirit of the 12th Party Congress by the broad masses of state farm and land reclamation cadres and employees to deepen their understanding of the strategic goals, the strategic focus, and the strategic steps to be taken for development of the economy put forward by the 12th Party Congress, to emancipate thinking further, and to establish confidence in "tripling." This

will be a foundation for stirring individual state farm and land reclamation enterprises to work up genuinely workable plans. We must unflinchingly and consciously carry out the line, programs, and policies of the Third Plenary Session of the 11th Party Central Committee, and the spirit of the 12th Party Congress. We must rally our spirits, be dedicated heart and soul, and struggle arduously to make new contributions in realizing the strategic goals for development of the economy.

9432

CSO:4007/117

RAT ERADICATION CAMPAIGN LAUNCHED

Guangzhou NANFANG RIBAO in Chinese 24 Apr 83 p 1

[Article: "Eradicate Rats! Eradicate Rats! Provincial Government Issued Notice on This Subject Yesterday. Guangzhou Municipality Begins a City-Wide Rat Eradication Campaign"]

[Text] The people's government of Guangdong Province yesterday issued a notice requesting every area to immediately mobilize the masses to launch a rat eradication campaign.

The notice pointed out: According to incomplete statistics, last year in the whole province, 18.3 million mu of rice fields were damaged by rats, resulting in the loss of over 66,850,000 jin of rice. Damage to the animal husbandry and forestry industries as well as to cash crops such as peanuts and sugar cane was also serious. Rats are also the main carriers of over ten infectious diseases such as the plague, leptospirosis, fasciolopsiasis, and epidemic hemorrhagic fevers. Thus doing our best in the rat eradication campaign has important consequences for protecting production and the people's physical health.

The notice requested that after every level of the people's government and every department have received the notice, they should immediately devise a plan and unite to launch a spring patriotic sanitation movement according to the spirit of the State Council notice and the situation in each local area and department. They must seize the moment and widely circulate propaganda to mobilize the masses to launch a rat eradication campaign. They must implement various kinds of responsibility systems for rat eradication, strengthen technical guidance, and train technical backbone personnel. Suiting measures to local conditions, they should select various effective measures, administer them comprehensively and practically control damage done by rats. At the same time, they should pay attention to the safety of people and animals to try to avert accidents.

In order to implement the State Council's notice in regard to launching a spring rat eradication campaign, the Huizhou Municipality launched a six day city-wide rat eradication campaign from April 22 through April 27 to kill rats mainly by poison.

The poison used this time by the Huizhou Municipality is a type called Anti-Rat Sodium Salts, a new chemical poison which is highly effective in poisoning rats and rodents but which has a low toxicity for people and animals.

12360

CSO: 4007/148

EARLY RICE TRANSPLANTING 66 PERCENT COMPLETED

Guangzhou NANFANG RIBAO in Chinese 23 Apr 83 p 1

[Article: "Persevere in Combatting Disaster and Striving For a Plentiful Harvest and Make Up for Natural Insufficiencies: Early Rice Transplanting Already 66 Percent Completed Province-Wide; Zhaoqing, Hainan District and Guangzhou Municipality Are Over 90 Percent Completed"]

[Text] The weather has turned sunny and fair since mid-April and the temperature has risen again. Every area in our province has seized on this advantageous time to concentrate their energies on rushing to transplant the early rice crop. According to statistics up to the time of the "Grain Rains," over 18.6 million mu of early rice was transplanted in the whole province, 66 percent of all the area to be transplanted with the early rice crop. Zhaoqing, Hainan District and Guangzhou Municipality, areas which progressed at a faster pace, have already transplanted over 90 percent of their early rice. Foshan Prefecture and Shenquan Municipality have close to 80 percent of the early rice transplanted. At the same time over 12.9 million mu of spring crops of sugar cane and peanuts have been planted as well.

In the face of the difficulties of spring sowing and planting because of low temperatures and heavy rains this spring, the Zhaoqing Prefecture sent a large contingent of cadres to the front lines to strengthen leadership. In order to make good use of the time, areas such as Guangzhou Municipality and Huiyang Prefecture changed from pulling up seedlings to shoveling them up. Shoveled up seedlings which were then transplanted recovered from wilting sooner. Because transplanting occurred late this year, seedlings were weaker and the transplanting season was drawing near, so Foshan Prefecture stressed transplanting and field care being carried out at the same time. They made up for natural insufficiencies by their efforts and promoted quicker development of the rice seedlings.

12360

CSO: 4007/148

PROBLEMS OF ECONOMIC CIRCULATION IN HENAN, HUBEI DISCUSSED

Beijing NONGCUN GONGZUO TONGXUN(RURAL WORK NEWSLETTER)in Chinese No 3, 5 Mar 83
pp 22-23

[Article by Yang Yongzhe [2799 7167 0772]: "Open Circulation Channels,
Stimulate the Rural Economy"]

[Text] In October of last year, I accompanied comrades in charge of the State Economic Commission to the two provinces of Henan and Hubei to study the matter of how to open circulation channels and stimulate the rural economy.

The problem of difficulty in buying and selling in the rural areas of these two provinces is striking. The major items that are difficult to sell are grain, soybeans, flue-cured tobacco, ramie, rabbit fur, pearls and the native mountain products of the remote mountainous areas. The major items that are difficult to purchase are chemical fertilizer, agricultural diesel oil, compound feed, construction materials, name brand bicycles and sewing machines. Under the influence of the "left," there was nothing for peasants to sell when they wanted to sell and they had no money when they wanted to buy things. Since the Third Plenary Session of the 11th Party Central Committee, production has developed and income has increased, but it is still difficult to buy and sell. The peasants speak with dissatisfaction of the present situation of "kowitz selling and prayerful buying," and intensely demand that they "be able to sell what is produced and buy what is needed."

The primary difficulty in purchasing is that the supply of some goods is tight. This problem will be gradually solved along with the adjustment and development of industry. The primary difficulty in selling is that circulation channels are not wide open and economic work has not provided stimulation. At present, the absolute majority of agricultural and sideline products are still not in abundant supply. We must research and solve matters in terms of ideology, system, policy, basic facilities and transportation.

First, the style of commercial management must be reformed. We must establish an ideology of serving the peasants and serving agriculture. Presently, the masses have a terrible opinion of "commercial management" workstyles and service attitudes, and we must work hard to improve. In the summer quarter of 1981, Xiangyang Prefecture in Hubei purchased 300 million jin of wheat, while last summer there was a bumper harvest and they purchased 920 million jin.

Their method was to stipulate places and times by areas for purchases and to increase purchasing personnel and platform scales, increasing the rate of purchasing; and to arrange for temporary open air granaries. The entire prefecture completed the entire year's purchasing quotas in something over 20 days. Second and third category agricultural and sideline products were marketed wherever there was a need. They organized tens of marketing groups, dispatched a large number of marketing personnel, signed several thousand 10,000 yuan supply contracts with other provinces and found markets for the area's products suffering from sluggish sales. We must breakthrough conventions, support agricultural development in the areas of technology, funding, credit and goods and materials, support agricultural and commercial cooperation in the areas of integrating management of sales and marketing, of producing and of processing, and develop overall service work before we can meet the peasants' needs with regard to developing commercial goods productions.

Commercial management systems must be reformed. We must breakdown single enterprise monopolies and regional isolation, and implement a circulation system with many channels and few links which takes state run commercial enterprises as the primary leaders. According to party and government policy, for all agricultural and sideline products that are under centralized and assigned procurement. On the one hand we must determine base purchase figures or the ratio of the amount purchased to the amount retained, which will be fixed for several years without being changed. We cannot simply purchase whatever is produced, leaving those below with no enthusiasm. Commune brigades and agricultural households must guarantee to complete purchasing tasks, we must boldly open circulation channels and allow commune brigades to carry out their own processing and marketing of all agricultural and sideline products which are allowed on the market. And, except for originating units, we should allow state run commercial enterprises, supply and marketing coops, commune brigade enterprises and cooperative commercial enterprises to purchase, process and ship and sell, and we should allow goods to enter cities and to pass beyond provincial borders. And we should allow the same for agricultural and sideline products of individual peasants which are individually transported for sale and are allowed on the market, as long as there is adherence to policy and law and to market management.

Purchasing is also difficult because there is a severe lack of storage facilities, so that there is no place to put what is received. In places where goods production is relatively developed but storage capacity is lacking, the state should make appropriate investment and build some storage facilities. It should also encourage commune brigades and agricultural households to jointly utilize surplus funds to build storage facilities--those storing for the commercial sector can receive a specific fee, and we can have those who store market themselves, obtaining seasonal price differences.

When communications and transportation does not suit the development of agricultural product production, we should also make corresponding reforms. The agricultural and sideline products purchased by many areas cannot be

shipped promptly, and there is no way for them to make further purchases. Henan has 700 million jin of soybeans stored which the province cannot market, while several provinces in the south are in need of them. Because they cannot obtain vehicle coverings, the soybeans cannot be shipped. We should build more highways in a planned manner. The state can build them and brigades and peasants can also combine funds and build them. In regard to the urgent shipping of large volumes of agricultural and sideline products and fresh or live seasonal products, transportation departments must take appropriate care. We can also encourage collective and individual marketing and transport.

Some problems making sales difficult are related to the layer upon layer of financial contracts and the inversion of sales prices. Some places are afraid of losing money on value added items and things requiring high input and offering low output, and so they are unwilling to manage them. In addition to preserving the existing varieties and volumes of parity price supplies, we can also handle more negotiated price supply items, with commercial departments engaging in high input high output or low input low output. This will benefit the masses, stimulate the economy and raise the management enthusiasm of commercial departments.

After the agricultural economy moves toward a product economy, the agricultural sector must change the situation of only concentrating on production, of ignoring the market and of not studying circulation problems. We definitely must organize and arrange product production in accordance with state plans and market demands. A socialist economy is an economy which is planned and based on proportional development. Agricultural product production cannot depart from the principle of the planned economy being primary and market adjustment being supplementary and go off making hasty recommendations and pursuing blind development. It can even less simply do what brings the most profit. In the last two years, some places have experienced "rushing ahead where there is little and cutting back where there is much"--"sudden rises, sudden falls"--a problem of large increases or drops in production, and one of the reasons for this has been that production has departed from the state plan and from the demands of the market. It is necessary and normal that the state carry out certain adjustments in terms of area to be planted, production volumes and prices for those agricultural and sideline products which are more or less than planned and which the market demands, and this cannot be viewed as "policy fluctuation." In order to see that production adheres to the plan and to the demands of the market as much as possible, in addition to instilling the notions of state planning and of the market in the minds of the peasants, teaching them to take state, collective and individual interests into account, economic work departments, including agricultural departments, must promptly give the peasants plan guidance and reliable market information, signing marketing contracts with them and doing a good job of supplying services both before and after production, and through a series of such work, joining the family contract economy and the small group economy to the perimeter of the large state economy, placing them in line with the demands of the plan and of the market.

Agricultural departments themselves must organize and develop agricultural and sideline product processing industries and operate some commercial enterprises where they produce and market themselves. We must actively encourage and support commune brigades and agricultural households in processing every kind of commercial product in keeping with local conditions, in taking it upon themselves to open markets and in carrying out comprehensive management of farming, husbandry and fishing commerce. There are many advantages in doing so: one is that processing for oneself can increase channels of circulation and reduce circulating links; a second is that on the spot processing of raw materials can reduce the pressure on transport systems; a third is that engaging in processing, with multiple and comprehensive use of raw materials, can increase the value of output and greatly increase collective and peasant incomes: a fourth is that state tax revenues can be increased; and a fifth is that is advantageous in handling excess labor and in small city and town construction. This is a decisive link in developing agriculture and multiplying the value of output, and it has tremendous significance in terms of establishing a new rural socialism and reducing the gap between urban and rural areas.

9705

CSO: 4007/126

SITUATION REPORT ON COMPENSATION LINKED TO STATE FARM OUTPUTS

Beijing ZHONGGUO NONGKEN [STATE FARMS AND LAND RECLAMATION IN CHINA] in Chinese No 2, 14 Feb 83, pp 2 - 3

[Article by State Farm and Land Reclamation Bureau, Ningxia-Hui Autonomous Region: "Smash 'Iron Rice Bowls;' Increase Output and Earnings. Situation Survey on Trial Linking of Calculation of Compensation to Output in the Fifth Brigade of the State-owned Lianhu Farm in Ningxia"]

[Text] Editor's Note: Inspired and impelled by the general practice throughout China's rural villages of diverse forms of agricultural production responsibility systems in which the contract system linked to output has become the dominant form, beginning in 1982 all jurisdictions conducted an experiment in reform of farm economic responsibility systems from which remarkable economic benefits were gained. Employees at the Lianhu Farm's Fifth Brigade said, "The practice of responsibility systems is good; there is no shouting or blowing of whistles when it is time to go to work. Everyone tries to get to the fields ahead of time, and production becomes better and better." They also said that "on state farms with a system of ownership by the whole people, results are good from contract responsibility systems linked to output; the country gets more revenues; enterprises withhold more; and individuals get more. More and more comrades have come to realize that state-owned farms that do not institute contract responsibility systems linked to output, but continue to "eat out of a large common pot," or hold out an "iron rice bowl" have no future.

State-owned farms are facing an increasingly dynamic new situation in the restructuring of

the economic management system, making the most of economic vitality, and initiating commodity production. We must courageously innovate and steadily perfect. In terms of the eradication of old and outmoded production relationships and certain links in the superstructure, and in terms of the emancipation of productivity and promotion of society's advancement, restructuring is a revolution, and it is a very pervasive revolution. Restructuring can smash the situation of "eating out of a large common pot," and fully arouse people's socialist enthusiasm so that production fairly rapidly climbs to a new level and more new wealth is created, with the result that the country and the people can become wealthy fairly rapidly. In short, whether something is or is not helpful in the building of China's own brand of socialism, whether it is or is not helpful in the development of national prosperity; whether it is or is not helpful in making the people rich and happy is the hallmark for judging the rightness or wrongness of each of our reforms.

Thoroughgoing change in the situation whereby state farm and land reclamation enterprises "eat out of a large common pot" regardless of whether they have been managed well, to make enterprises and employees feel "pressure," and also to provide them with conditions in which they can fully exercise their own "vitality," is to eradicate the old conventions, old rigormore, and old workstyles that block our forward advance. There is need to study thoroughly the new circumstances and to solve new problems, to summarize new experiences, and to make new rules. It appears that this tide of reform is irresistible. Our comrades should actively take the lead for healthy forward development.

Lianhu Farm's Fifth Brigade has 74 households with a population totaling 334 of whom 141 work. They plant an area of 2,697 mu.

During the past several years, this brigade has practiced the "fixed, contract, and reward" production responsibility systems, and though things are better than they had been, still the problem of "eating out of a large common pot" has not been completely changed. With the help of the farm, in early 1982 the brigade

tried out a method of figuring compensation linked to output in accordance with the "three changes," namely, no change in the nature of ownership by the whole people, no change in the existing administration and management system, and no change in the production team basic accounting unit. The method was also linked to "five centralizations," namely centralized planning, centralized distribution, centralized administration, centralized handling of products, and a policy of centralized rewards and penalties. The method of figuring compensation on the basis of output was also tried. A series of new methods were arrived at for reform of the state farm economy, and a year's practice has demonstrated the following: Figuring compensation on the basis of output pretty well corrects the abuses of egalitarianism and "eating out of a large common pot." Formerly, even though tasks were assigned to teams and responsibilities to individuals; nevertheless, wages were distributed according to workpoints. In order to make more workpoints, some employees concerned themselves solely with quantity without regard for quality, and this hurt farm crop output. Now that output is directly linked to employees' wages, rewards, and penalties, and employees responsibilities, rights, and interests are closely correlated, responsibilities rest where they should. This has aroused employee enthusiasm for production, and more striking economic results have been achieved. In 1982 both output and profits reached an all-time high, and the country getting more revenues, enterprises getting more withholdings, and individuals getting more income was really achieved.

1. Four Forms of Figuring Compensation on the Basis of Output

(1) The method whereby wage grades are eliminated and "tasks are assigned teams and responsibilities assigned individuals, with points being recorded for quotas, compensation being figured on points.

(2) Except in the case of the division of profits from overfulfillment of plan, deduction of 20 percent of employee basic wages as fluctuating wages (also termed output wages) to be used in year-end distributions.

(3) Specialized contracting in forestry, the fishing industry, and the raising of hogs, output linked to individuals.

(4) Contracting of output to individual households for the growing of sugarbeets.

2. Methods of Figuring Compensation on the Basis of Output

(1) Determining wage price per 100 jin of planned output:

1. Production experience and final accountings during the past 3 years have shown manpower costs for individual kinds of farm crops. From this figure is deducted welfare payments and various subsidies paid to derive man-day costs per mu. This is divided by the average daily wage of the brigade's farm workers to determine the amount of labor used per mu.

2. Planned amount of labor per mu times the actual area sown to various crops yields total amount of labor used.

3. The total sum of prevailing scaled wages of employees engaged in the figuring of compensation on the basis of output divided by planned total amount of labors to be used yields the planned daily wage.

4. Amount of labor per planned number of mu of farm crops times the planned daily wage provides the planned wages per mu. When divided by the planned output per mu and multiplied times 100, the wage price per 100 jin of output is derived.

5. Planned daily wage times actual output harvested divided by 100 yields wages for product output.

(2) Handling of several specific problems in the figuring of compensation on the basis of output:

1. Employees practicing the figuring of compensation on the basis of output may get a monthly advance of 80 percent of wages, the remaining 20 percent being a fluctuating wage.

2. Employees' monthly grain differential price subsidies, non-staple food subsidies, and winter heating expenses are issued according to the financial system. Year-end final settlements take actual output wages less wages that have been advanced. Payments to employees are distributed according to workpoints and recorded as costs.

3. Year-end wages for overfulfillment of output are not treated as bonuses; therefore, all excess, no matter how large or how small, goes to the employees with no cap on the amount.

4. Year-end profits for overfulfillment of plan are withheld for payment as bonuses at a 25 percent rate. When wages exceed those paid for 2 months, a State Council documents provides that only two months wages are to be paid.

5. Following assessment of work and recording of points, in order that old workers will have no reduction in incomes, for workers above category 4 withholdings are made on the basis of

the number of days worked. This works as follows: For category 4 workers, withholdings are 0.13 yuan per day; for category 5 workers, 0.30 yuan per day; and for category 6 workers, 0.50 yuan per day. Withholdings for technical personnel are on the basis of the amount of money for individual grades with 80 percent of the remainder being paid.

6. Ten brigade cadres including the brigade leader and deputy leader, the party branch secretary and deputy secretary, the accountant, the statistician, the maintenance man, cultural and educational personnel, and a farm technician share in distributions out of the total amount of worker workpoints.

3. Five Advantages in Practicing the Figuring of Compensation on the Basis of Output

(1) Increased grain output. Figuring of compensation on the basis of output gets around the problems of "no difference whether one works much or little; no difference whether one works well or badly; and no difference whether one works or not." It stirs the enthusiasm of employees and promotes increased output of grain. In 1982, 1,909 524 jin was harvested from a 1,935 mu grainfield area. This was 10.74 percent more than in 1981, and 1.53 million jin or 24.3 percent more than total planned output. Yields averaged 986.8 jin per mu, 12.6 percent more than in 1981. The extent to which sugarbeet output increased was particularly large. From 202 mu of sugarbeets, yields averaged 9,238 jin per mu, 35.4 percent more than in 1981. Twelve households had yields of more than 10,000 jin per mu.

(2) Decline in costs. Following the figuring of compensation in terms of output, employees became generally concerned about output and about costs. Formerly when a wagon was no longer needed, it would be left outside for anyone to use. In 1982, when no longer in use, it was put in a shed. In 1981 burlap bags were thrown around and strewn about; 600 of them were used during the year. In 1982, only 360 were required. In 1981 expenses for pesticide amounted to 6,600 yuan, but in 1982 only 1,800 was spent. This greatly reduced costs. Cost were 10.32 yuan per 100 jin of grain, 1.80 yuan less than in 1981. Overall costs fell by 35,340 yuan over 1981. The decline in costs for gaoliang production was particularly large; the cost per mu was 84 yuan, 14.87 yuan less than in 1981.

(3) Increase in output value. While devoting attention to grain production, this brigade also developed economic diversification. It grew watermelons and sugarbeets, reared fish, and raised hogs. In 1982, its gross income amounted to 490,000 yuan, 13.4 percent more than the 430,000 yuan of the previous year. A gross output

value of 450,000 yuan was 18.4 percent higher than the 380,000 yuan of the year before. The output value created by each employee rose from 2,516 yuan in 1981 to 3,100 yuan in 1982.

(4) Increased profits. After instituting the figuring of compensation on the basis of output, this brigade strengthened its administration and management, conserved on expenditures, and increased earnings. Output rose and profits increased particularly as a result of scientific farming. In 1982, profits amounted to 130,000 yuan versus the 89,000 yuan of 1981 for a 41,000 yuan increase. Profits on wheat amounted to 60.60 yuan per mu. For cash crops profits were even greater. For sugargbeets, for instance, profits amounted to 127 yuan per mu.

(5) Increased employee income. Bonuses paid employees in 1982 for overfulfillment of grain, edible oil, and sugarbeet production came to 73,749 yuan, an average 996 yuan per household or 220 yuan per person. Bonuses plus wages meant a gross income of 2,437 yuan per household. This was an income of 539 yuan per capita for the population as a whole, and 1,279 yuan gross income for employees. This meant that each household had 565 yuan more income; each member of the population had 143 yuan more income; and each employee had 355 yuan more income than in 1981.

The responsibility system that figures compensation on the basis of output has already shown initial results, but some problems still exist. For example, the computation methods are complicated and procedures numerous. Further study and improvement is required.

9432

CSO:4007/118

GRAIN PRODUCTION BETTER THAN USUAL

Jinan DAZHONG RIBAO in Chinese 14 Apr 83 p 1

[Article: "Favorable Signs Appear in Grain Production in Our Province; The Area of Grain Fields Has Increased; The Situation With Wheat Seedlings Is Universally Better Than In Past Years; Some Important Areas Select Public Policy Measures to Encourage Specialized Grain Households to Develop Grain Production"]

[Text] Statistics provided by the provincial Department of Agriculture, Animal Husbandry and Fishing Industries show that uncommonly favorable signs have appeared in grain production for the whole province.

In recent years cash crops, especially cotton production, have developed rapidly in Shandong Province. However, grain production has consistently lagged behind. This situation has already begun to change. The area of fields in grain has already increased. For example, last year there were 51 million mu of wheat fields. This year a total of 55,960,000 mu in wheat has been reported from all areas. Because the area planted in cotton and peanuts has already basically stabilized, the fixed area of yellow tobacco and bluish dogbane has been reduced from that of last year. The grain crops planted this spring will then show an increase over last year.

From present conditions it seems that the situation with wheat seedlings is universally better than in past years. First and second category seedlings comprise over 80 percent of total wheat area, which is about 20 percent higher than in past years.

In order to guarantee increased grain production, every area has selected appropriate measures. Province-wide, 235 million jin of superior seeds for spring crop planting have already been sent out, of which over 100 million jin were hybrid seed corn. In areas growing cotton, this year 3 million mu of agricultural fields will implement the cropping system of two harvests, wheat and cotton. Some important grain production areas have also selected public policy measures to assist and encourage specialized grain households to develop grain production.

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CSO: 4007/148

EMERGENCY NOTICE ON RAT ERADICATION ISSUED

Jinan DAZHONG RIBAO in Chinese 29 Mar 83 p 1

[Article: "Assault on Rats Scheduled Between 5 and 15 April. Provincial Government Issues Emergency Notice"]

[Text] Carrying out the spirit of the State Council notice on launching of a spring season rat extermination, the Provincial People's Government recently issued an emergency notice calling on the province's cities and countryside to launch a concerted campaign to exterminate rats between 5 and 15 April.

The notice said that damage caused by rats has been serious in the province during the past several years. In order to protect agricultural production and the people's health, government at all levels should immediately take opportunity to launch rat extermination work. Places with serious rat damage should set up level-by-level leadership teams, do a-household-by-household mobilization, with each and every person taking action. Comprehensive measures for the extermination of rat pests should be taken including use of poison, flushing with water, digging (or stopping up) holes, snap traps, rat cages, pressure traps, and protection of their natural enemies. Safe use and effectiveness of these methods should be assured.

The notice called upon all departments, all trades and all industries to coordinate closely in a cooperative fight. Propaganda departments should use all sort of propaganda methods and propaganda tools to make known the importance of rate extermination and methods to be used. Agricultural departments should train technical mainstay cadres to survey the rat situation. Health departments are to do a good job of providing technical guidance in the safe use of pesticides and in rescue work involving accidental poisonings. Chemical industry, business, and supply and marketing departments are to do a good job of producing and supplying pesticides and devices for rate extermination. Food and financial departments are to provide support and assistance to needy communes and brigades in providing them with grain bait and expenses.

The notice emphasized that over the next several years there would be several rat extermination campaigns during the spring, fall, and winter of each year. In addition, it is necessary to rouse the masses to exterminate rats all year round in an effort to reduce rat pests to the minimum over the next 2 or 3 years.

9432

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TWO CASH CROPS A YEAR PLANNED

Jinan DAZHONG RIBAO in Chinese 29 Mar 83 p 2

[Article by Zhang Qianzhi [1728 0578 0037], Agronomist, Provincial Department of Agriculture: "Two Crop System Can Be Gradually Implemented for Province's Cash Crops"]

[Text] The province's peasants show two tendencies in production today. One is for peasants in grain growing areas to actively develop cash crops such as cotton, peanuts, and flue-cured tobacco in order to gain more cash income. The other tendency is serious peasant attention to development of grain crops in areas with large amounts of cash crops, particularly in cotton growing areas, where they have expanded the growing of wheat in order to produce fine grain as quickly as possible. I believe these two tendencies are in keeping with socio-economic and natural laws. The result of these two tendencies will be a gradual growing of two cash crops in Shandong Province. Thus, the natural resources (light, heat, air, and soil) on winter fallow land will be fully used and developed. In this way, both grain output can be expanded and cash crops can be developed.

Use of winter fallow land is one direction in development of the province's agricultural production. In addition to the growing of wheat, rape, and some vegetables, Shandong Province has between 40 and 50 million mu of land that lies fallow in winter. Meteorological science has determined the following: Where cumulative temperatures (above zero degrees centigrade) are more than 4,200 degrees, two crops may be grown each year. Shandong Province averages cumulative temperatures of 4,745 degrees, making it suitable for the growing of two crops a year. In 1982, more than 31 million mu throughout the province were planted to peanuts, cotton, and flue-cured tobacco. Were a two crop system to be gradually implemented for cash crops, plus a small amount of grain crops changed over to two crops, more overwintering grain crops could be planted in the province. This is the province's farming industry's greatest resource, and it is also where the greatest potential lies.

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CSO: 4007/119

BREEDING IMPROVED VARIETIES OF ALL CROPS URGED

Jinan DAZHONG RIBAO in Chinese 29 Mar 83 p 2

[Article: "Take in Hand the Building of Improved Variety Bases; Hasten the Breeding of Improved Varieties. Province's Fine Varieties Breeding Departments Take Action For Fundamental Solution to the Peasants' Problems of "Difficulties in Buying Seeds"]

[Text] Improved crop variety breeding and promotion units at all levels in the province have adopted measures and taken in hand the building of improved variety breeding bases for fundamental solution to the peasants' problems of "difficulties in buying seeds." This year the province will increase its improved variety breeding base area by 3 million mu.

As an accompaniment to the general institution of various kinds of responsibility systems linked to output in the province's rural villages, an unprecedented "craze for science and technology," and "craze for improved varieties" has come about. In order to satisfy this new demand of the broad masses of peasants, improved variety companies at all levels have used state-owned improved variety farms and stock farms as a foundation for the building, one after another, of more than 200 improved variety breeding bases. Commune seed stations have also energetically launched the breeding of improved varieties as a stopgap measure to hasten the breeding and spread of improved varieties. In 1982, the province had a 130 million mu area devoted to the growing of improved crop varieties. This was more than 90 percent of the sown area. However, inasmuch as farming in rural villages today is largely decentralized in individual families, the breeding of improved varieties, particularly the breeding of superior corn hybrids poses certain difficulties. Some places have not set up permanent improved variety breeding bases, and strong technical guidance is lacking. As a result, quality of improved varieties cannot be assured, and a problem of "difficulty in buying seeds" has come about. For this reason, since early this year departments concerned have held meetings for the widespread exchange of experiences in the work of breeding and

supplying seeds. They have summarized and spread the experiences of Zhucheng, Yangxin, Chiping, and Ningjin counties in breeding and supplying seeds. All prefectures, municipalities and counties have diligently set up improved variety breeding bases for grain, cotton, oil-bearing crops, and vegetables, as well as for other cash crops. In this work, they have acted according to the requirements of the "two haves," and the "five centralizations" (need for improved variety breeding bases to have specialized leadership teams, with a specialized corps doing the contracting of breeding; and centralized planning, centralized laying out of separation tracts, centralized sowing specifications, centralized removal of mongrel plants and of stamens, a centralized harvesting in seed production linked to output). The area has been increased from the 6 million mu of 1982 to 9 million mu. The main thrust in the building of these bases has been as follows: Use of concentrated continuous tracts, and households in partnership for the production of hybrid seeds. In a single county, several separated continuous tract areas were established, or else the bases were distributed among several key communes, and then the commune concentrated seed production in several villages on continuous tracts on which households worked in partnership. Production bases for conventional seed varieties were set up on the basis of the pattern of distribution of varieties. Specialized households, and households that had taken the lead in scientific techniques were selected for the contracting of seed breeding. On cotton seed bases, stock farms or improved variety farms continued to supply stock, with a expansion to specialized households undertaking the breeding of stock taking place in a generation by generation replacement process.

In the breeding system this year, there has been strict adherence to provincial scientific research units and breeding bases providing the stock; prefecture seed bases breeding parent pairs, and counties and communes jointly producing seeds in a careful guarding against production of a welter and a mongrelization of too many seeds. In addition, improved variety breeding departments throughout the province have also decided to send more than 3,500 scientific and technical personnel to more than 5 million mu of improved variety breeding bases to undertake technical contracting linked to output in the breeding of seeds.

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IMPROVED VARIETIES SEEN AS KEY TO INCREASED FARM OUTPUT

Jinan DAZHONG RIBAO in Chinese 30 Mar 83 p 1

[Article: "For Agricultural Outputs to Increase, Improved Varieties Must Lead the Way"]

[Text] "For agricultural outputs to increase, improved varieties must lead the way." These words make a lot of sense. Large amounts of data in research units concerned show that all other production conditions being equal, the element of improved varieties alone can increase grain crop yields by about 25 percent. The breeding, reproduction, and promotion of improved varieties is truly a major measure for increasing output that requires little investment, shows quick results, and produces large benefits.

For many years the province's work in the breeding, reproduction, and promotion of improved varieties has been very successful. Nevertheless, it still does not completely meet demands for increased production. Some places and units have not taken firm hold on the breeding of improved varieties, and management is lacking in the care of existing improved varieties. In some cases a situation of jumbled introduction of improved varieties, mismatching, and disorderly growing has come about. Varieties that should have been eliminated have not been promptly eliminated, with the result that seeds have become mongrelized and quality has declined. In some places, the method of supplying improved varieties has been unable to meet the needs of individual peasant household farming. These places continue centralized supply of seeds, which causes great inconvenience for the peasants, and in quite a few places a problem of peasants having "difficulty in buying seeds" has come about. Unless these problems are solved quickly, inevitably continued increases in agricultural output will be impaired.

Seed work must be taken in hand year after year and season after season. Not only does the breeding, reproduction, and spread of new improved varieties have to be done constantly, and unsuitable old varieties promptly eliminated, but it is also necessary to

guard against mongrelization and degeneration of seeds, and to maintain improved variety quality. Thus, leadership must be strengthened, and diligent solution found to new problems that crop up in seed work. In particular, it is necessary to devote attention to the building of improved variety breeding bases. This is a fundamental measure for assuring sufficient quantity and good quality seeds. Seed breeding units and seed reproduction and promotion departments should cooperate well and coordinate; they should also intensify technical guidance to peasants. In addition, in view of the new situation of household by household farming, they should improve their methods of supplying seeds and solve peasants' problems in "difficulties buying seeds." Zhucheng and Yangxin counties have already gained very fine experiences. Their principal method is the specialization of seed production, the regionalization of patterns of distribution of varieties, the standardization of quality, the mechanization of processing, the signing of agreements on seed reproduction and seed supply, organization of centralized supply of seeds throughout the county, and the establishment at the grass-roots level of network points for the supply of seeds as a convenience to the masses. The experiences of these units demonstrate that so long as leaders at all levels pay genuinely serious attention to improved seed reproduction work, a new situation in the reproduction and distribution of improved seeds can definitely come about.

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EXPANSION OF PROVINCE'S FRESHWATER FISHING INDUSTRY URGED

Jinan DAZHONG RIBAO in Chinese 29 Mar 83 p 2

[Article by Lan Houzhen [5663 0624 3791], Biology Department, Shandong University: "Energetically Develop Reservoir and Water Surfaces Resources"]

[Text] Shandong Province has 5,586 large, medium, and small reservoirs providing an area of 1.23 million mu on which fish may be reared. This is about one-third the total freshwater area in the province suitable for the rearing of fish. Currently a 1,005,000 mu reservoir area in the province is being used for the rearing of fish. This is 77 percent of the water surface area suitable for the raising of fish. A look at production shows yields per unit of area in the reservoir rearing of fish in the province to be very low. Yields from reservoirs for the country as a whole average 40 jin per mu, while Shandong Province's yields are only 9.5 jin per mu. Certainly low yields have a lot to do with differences in natural conditions; however, some genuine problems urgently in need of solution also exist in the reservoir fishing industry such as: 1. the status of reservoir resources in the province is not clear, and the status of hydrology and water quality is particularly unclear. Thus, it is impossible to adapt general conditions to specific reservoirs in development of the fish rearing industry. 2. Technical forces are extraordinarily weak. At the province's large and medium size reservoirs, there are only 53 fishing industry technical personnel, and only about 30 of these are reservoir technical personnel graduated from technical colleges or middle schools. This is far from meeting requirements for the development of production. Conditions are virtually non-existent for the scientific study of the rearing of fish in reservoirs; consequently, progress in the breeding and promotion of superior breeds of fish is slow. 3. Facilities for catching and conservation are not meshed into a coherent whole. 4. Management systems at some reservoirs have not been completely resolved. A case in point is the division among partnerships. Conflicts exist in the benefits and management of reservoirs that straddle county lines. This has resulted in 20 percent of the province's reservoirs not having any fish rearing quotas. Unless the foregoing problems are taken firmly in hand and solved, inevitably development of the province's reservoir fishing industry will be impaired.

STEADY DEVELOPMENT OF PROVINCE'S FISHING INDUSTRY REPORTED

Jinan DAZHONG RIBAO in Chinese 29 Mar 83 p 2

[Article: "Steady Development of Province's Fishing Industry Production. Break in 4 Continuous Years Standstill Situation"]

[Text] Editor's Note: After 4 consecutive years of standstill in the province's fishing industry, a heartening situation of new development has now begun to take place. Naturally, this is only a very small step forward, and it is still very far from meeting the demands of the broad masses of people for fishing industry production.

The key to the launching of a new situation in the fishing industry lies in doing a good job of restructuring. Today numerous conflicts still exist in aquatic products work that impede development of production. These include stifling plan management, blockage of circulation links, antiquated scientific and technical work, etc., which must be resolutely reformed. The emphasis of reform should be placed on production, scientific and technical management, and supply and marketing management systems in order to give impetus to other reforms, to break through all the old conventions, rigamorole, and workstyles that block development of production, to restructure antiquated management systems, and to initiate new rules and regulations for the faster development of fishing industry production.

As a result of the implementation of readjustment programs and liberalization of economic policies, a new situation of steady development of production in Shandong Province's fishing industry has begun to take place. In 1982, gross output of aquatic products reached 609,000 tons, 11.3 percent more than during the

previous year This has been the first year of increased output during the last 4 years.

Shandong Province has very good natural conditions for fishing industry production. Since the Third Plenary Session of the 11th Party Central Committee, acting in accordance with fishing industry readjustment programs put forward by the Central Committee and instructions from the Provincial CPC Committee and provincial government, all jurisdictions have gradually readjusted the fishing industry's economic structure, have reformed some fishing implements and fishing methods that destroy resources, have strengthened fishing industry management, have brought under control overfishing in coastal seas, and have energetically developed both marine and freshwater breeding. Today more than 200,000 mu of commodity fish and shrimp bases have been built throughout the province, and marine and freshwater breeding is done over an area totaling 1.76 million mu. In 1982 gross output of products bred throughout the province reached 150,000 tons, which was 25 percent of the total output of aquatic products. The freshwater fish rearing area has reached 1.4 million mu, and last year, despite serious drought, output still reached 16,000 tons.

In order to hasten fishing industry development, all jurisdictions have liberalized economic policies in accordance with the spirit of pertinent directives from the Central Committee and the State Council. Methods of state procurement of aquatic products changed from purchase of the entire amount to a combination of assigned procurement and negotiated procurement; flow channels for aquatic products were actively expanded; the state, collectives, and individuals have all moved upward together; and in administration and management, contract responsibility systems linked to output in which large scale contracting of sole responsibility for task completion is the dominant form have been established everywhere. There has been energetic development of specialized households and priority households for the breeding of aquatic products, as well as of individual small retailers in the fishing industry.

In the process of developing marine and freshwater breeding, leaders in counties and cities concerned have devoted attention to the spread and use of new fishing industry techniques. They have also instituted technical contracting responsibility systems. In view of problems of sufficient fish fry, bait, and rearing skills that are urgently needed during the present development of breeding and production, all jurisdictions have organized research personnel to carry out a concerted attack to advance development of production.

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LARGE DRAFT ANIMAL PRODUCTION UP

Taiyuan SHANXI RIBAO in Chinese 29 Mar 83 p 3

[Article: "Implement Responsibility System, Create a Manger Full of Sturdy Livestock: Plump and Sturdy Large Livestock Throughout the Province]

[Text] Implementing the responsibility system has aroused the enthusiasm of the masses for scientific raising of livestock. The fattening of large livestock in our province has surpassed any period since the beginning of the cooperative movement. At the moment, among the more than 17 million head of large draft animals, 50 percent are in Fat Category One, 45 percent in Category Two, and 5 percent in Category Three. Category Four has been basically eliminated.

The most important reason for the achievement of these successes is that after assigning livestock to the households, the responsibility of each household is clearcut and commune members' enthusiasm for raising them is great. After the cooperative movement, large livestock in our province were placed under collective ownership; the animals were raised together, fed from a common pot regardless of their different characteristics. They are given the same feed without regard to the quality of their fatness. Especially during the 10 years of turmoil, the same food was fed whether it was good or bad. People were short of foodstuffs and livestock were short of forage. As a result, each winter animals in Fat Category Four amounted to over 20 percent. After the responsibility system was implemented in rural villages and the raising of livestock became the responsibility of the households, the quality of the livestock and the economic benefits of the individual commune member became closely related. Thenceforth, without any outside prodding, each and every household raised large domestic animals meticulously, and the quality of the livestock's fat content grew better day by day. Moreover, the advanced scientific techniques have been promoted extensively. Consequently, the number of counties employing the method of breeding by frozen sperm increased from 11 to over 80. Last year, 90,000 cows were bred by this method, double that of 3 years ago. The production and the use of overall nourishing mixed feed have gone from being nonexistent to being promoted to over 1,600 brigades in 200 communes over 41 counties. Much work was also done in promoting the use of silage to raise cattle, developing immunization inoculations for equine infectious anemia and bovine vermicifuge. The ratio of dams to the entire herd has been

increased year after year. At the moment, the breeding of dams throughout the province has developed to over 616,000 head, amounting to 27.4 percent of the total herd. Last year's breed of surviving young livestock was 215,000 head, 48,000 more than the previous year.

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